# Weekend FT

**Inside Section II**
**16 pages**

**Standing up to the Doomsday virus**
Aids continues to pose political, practical and moral problems. It is the behaviour of individuals that will decide whether Aids is contained and tamed, or allowed to run its destructive course, says Rex Winsbury **Page I**

**Who insures your insurer?**
Home and motor premiums are rising as insurance companies feel the pinch. Scheherazade Daneshkhu suggests how to find the best buys **Page III**

**A professional European**
Christian Tyler talks to Uwe Kitzinger, left **Page XVI**

**Fairway tips**
Two pages on golf holidays, plus John Hopkins on the Walker Cup **Pages VII/VIII & X**


EUROPE'S BUSINESS NEWSPAPER

# FINANCIAL TIMES

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## WORLD NEWS

### Polish government resigns over budget crisis

Poland was thrown into political turmoil after Mr Jan Krzysztof Bielecki, the prime minister, offered his government's resignation following sharp disagreements with the Sejm, or parliament, about tackling the budget crisis.

The resignation, which the Sejm will confirm or reject today, could produce a political vacuum until the country's first free parliamentary elections in October. Page 22

**Labour offensive**
Neil Kinnock, Labour leader, opened a fresh offensive against the government's economic policy, outlining a five-point plan aimed at ending recession. Page 22; Council tax plans, Page 4

**Singapore warning**
Singapore will suffer racial tension and economic decline if the ruling People's Action Party fails to win at least 60 per cent of the popular vote in elections today, Goh Chok Tong, the prime minister, forecast. Page 22

**EC moves on Serbia**
European Community foreign ministers are hold a meeting on the Yugoslav crisis which could see the first measures to isolate Serbia. Page 3

**Nigerian riots**
At least one person was killed and more than 100 others detained in Gusau, Sokoto state, northern Nigeria, during violent protests against the creation of nine new states. Bank debt pact, Page 3

**RAF force for Turkey**
A force of eight RAF Jaguar combat jets is being sent to Turkey to join the international force protecting Kurds from attack by Iraq, the Ministry of Defence said. Page 2

**Kennedy gives evidence**
US Senator Edward Kennedy appeared before a Florida grand jury investigating possible obstruction of justice in the rape case against his nephew, William Kennedy Smith.

**Parliament suspended**
Sri Lankan President Ranasinghe Premadasa suspended parliament for a month, avoiding early debate on an impeachment motion against him citing 24 alleged cases of abuse of power, corruption and illegal family deals. Page 3

**Meat queue murder**
A 69-year-old pensioner died after being struck on the head for jumping a meat queue in Pilsen, 55 miles west of Prague.

**Nuclear waste plans**
The government should make an early commitment to plans for an underground nuclear store, or deep repository, the Radioactive Waste Management Advisory Committee said. Page 3

**Holidaymakers shot**
A woman from Great Bourton, near Banbury, Oxon, was critical in hospital after she and her husband were shot by robbers on the first day of their holiday in Miami, Florida.

**Scottish MP dies**
Alick Buchanan-Smith, 59, Tory MP for Kincardine and Deeside, died from cancer. Obituary, Page 4

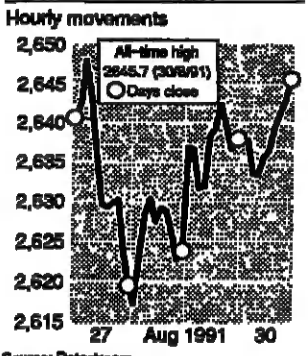
**UK gold in Tokyo**
Liz McColgan won Britain's first gold medal at the World Championships in Tokyo in the 10,000 metres.

## BUSINESS SUMMARY

### FT-SE hits new peak as equity account ends

A quiet but confident trading session saw the UK stock market edge forward to new peaks, rounding off an eventful three-week trading account over which the London market rose by about 3 per cent. As the US dollar strengthened in response to the latest data on the US economy, the FT-SE 100 Index recovered an early fall of 5.5 to end the session at 2,645.7, a new all-time high and a net gain of 7.5 on the day. Markets, Page 13; Lex, Page 22; Weekend, Page II

**FT-SE 100 Index**
Hourly movements



Source: Datastream

CONTINENTAL, German tyre manufacturer, is to close its Canadian plant because of heavy losses in North America. It announced a steep drop in first-half pre-tax profits from DM100.5m to DM31.5m (£10.7m). Page 22

ASKO, fast growing diversified German retailer, increased net profits by 66 per cent to DM75m (£25.5m) in the first half of the year. Page 10

FRENCH state-controlled companies may be partially privatised to help limit the 1992 budget deficit, which is threatening to exceed the original target. Page 2

DC COOK Holdings: Directors halved their salaries after reporting a plunge in property profits to a pre-tax loss of £1.48m, less than a tenth of the 1989-90 level. Page 8

JAPANESE banks: Three top bank presidents admitted that lax credit controls contributed to their banks' involvement in financial scandals in evidence to a parliamentary committee investigating the affairs. Page 3; Moody's reviews ratings, Page 10

JUPITER Tyndall Group: A new investment management and banking group with more than £1.3bn of funds is being created through the £35m merger of Jupiter Tarbutt Merlin Holdings and Tyndall Holdings. Page 8; Lex, Page 22

BODDINGTON, UK pubs, hotels and healthcare group, further expanded its drinks wholesaling operations with the acquisition of a majority stake in Hey (UK), an independent drinks wholesaler, for £6.01m. Page 8

BUNDESBANK, German central bank, unveiled terms under which the government will begin repaying debts accumulated on interwar loans that have fallen due as a result of unification. Page 10

TNT, embattled Australian transport group, produced worse than expected equity net loss of A$197.2m (£92m) in the year to June 30, compared with profits of A$139.9m previous year. Page 10; Lex, Page 22

LLOYD'S of London was hit by a flurry of resignations before the deadline for Names to notify intention of leaving the market in 1992. Page 4

# Yeltsin's Baltic trip underlines key role of Russia

THE key role being played by Russia in seeking co-operation among the republics and an orderly transition to a looser Soviet state was underlined yesterday as Mr Boris Yeltsin, the Russian president, conducted a whistle-stop tour through the three Baltic Republics, writes Our Foreign Staff.

His meetings over the last two days with the leaders of Lithuania, Latvia and Estonia – revealed only yesterday – were Mr Yeltsin's first known trip outside Moscow since last week's abortive coup. The contacts took place as part of a broader diplomatic effort which yesterday culminated in an agreement between Russia and Kazakhstan.

This followed a similar compromise agreement with the Ukraine on Thursday. Thanks to the flurry of diplomatic activity, Russia now has agreements with the two next most economically powerful republics, which it had angered earlier this week when it announced it would review borders with republics seeking independence.


KGB to be stripped of key powers ....Page 2
Russia awakes ....Page 6
Boris Yeltsin profile ....Page 6
Dominic Lawson .Weekend XVI


Both the Ukraine, which has already declared independence, and Kazakhstan, which has not, have large ethnic Russian populations and borders with Russia. The momentum behind the disintegration of the centralised Soviet state was underlined yesterday when Azerbaijan, the Turkic-speaking Trans-Caucasian Republic, declared itself an independent state. It was the sixth republic to declare its independence since last week's failed coup.

A declaration approved unanimously by the republic's parliament proclaimed the restoration of Azerbaijan's independence, which lasted just two years until it was snuffed out by the Communists in 1920.

The joint statement signed yesterday in Alma Ata, the Kazakh capital, by Mr Nursultan Nazarbayev, the Kazakh president, and Mr Alexander Rutskoi, the Russian vice president, said the two republics would work together to prevent the "uncontrolled disintegration" of the Soviet Union and called on other republics to join talks about "mutually beneficial forms of co-operation".

The Azerbaijan parliament accompenied its own declaration of independence with a similar call for maintaining and strengthening relations with other Soviet republics.

Earlier Mr Yeltsin, speaking on Russian radio, sought to calm fears that the the Soviet union's new political leaders

Continued on Page 22

# 'Forged letter' led to fraud probe at Brent Walker

By Robert Peston and Andrew Bolger

THE Serious Fraud Office's investigation into Brent Walker was in part prompted by allegations of forgery in connection with a key letter which was written as part of arrangements to prevent the troubled leisure group from collapsing at the end of last year.

The new information on the scope of the inquiry was obtained by the Financial Times yesterday after the debt-laden group disclosed that its 1990 interim profits, announced last September, had been materially overstated and were also being investigated by the SFO.

The heading on the allegedly forged letter is that of Walker Power, a joint venture between Brent Walker and Power Corporation, an Irish property developer. The signature purports to be that of Mr Robin Power, managing director of Walker Power and chairman of Power Corporation.

However, two independent reports from forensic experts have been supplied by Brent Walker to the Serious Fraud Office stating that the signature on the letter is not authentic.

The five-line letter, dated November 20 1990, said Walker Power would not call in its loans, estimated at between £25m and £30m, made to Brent Walker.

At the time, Brent Walker had run into financial difficulties. Its 47 banks had said they would continue to provide support to the group, by way of a


Banks and lawyers at hand in struggle for survival ....Page 8
Lex ....Page 22


£1bn global facilities agreement, only if all other creditors promised to continue providing support. In theory, if Walker Power had not given its agreement, Brent Walker would have collapsed.

The SFO visited Brent Walker's central London headquarters on Wednesday at the company's request and removed a van-load of documents. Brent Walker said yesterday it had been advised by the Bank of England to call in the SFO after it had asked the Bank which regulatory body it should approach.

The overstatement of the interim figures, which the board refused to explain further, came to light after accountants KPMG Peat Marwick McLintock conducted a review of the figures earlier this year.

However, Mr George Walker, chief executive of the group until the end of May, said yesterday that the company's two firms of accountants, KPMG and Leigh Carr, had reviewed the figures with him last year, before they were published, and that at the time the board had approved them.

KPMG stressed yesterday that the original interim results were not audited and it had not at the time allowed its name to be used in support of the figures, which it would have done if they had been audited.

The latest developments in the fraud inquiry pose a further threat to the crucial and long-delayed refinancing of Brent Walker by its banks.

Mr Ken Scobie, the new chief executive, said he was confident that the latest developments would not derail the refinancing. But he said he could not guarantee that this week's revelations would not give rise to further contingencies or liabilities.

This brings the risk that banks will back out of the refinancing and send the company into liquidation.

One of the biggest bank lenders to the group said yesterday Brent Walker would find it difficult to raise any further cash from its banks.

But the company said the mis-statement of the interim profits figure had no impact on the full-year figures for 1990.

Yesterday's restatement of the annual figures, however, shows that Brent Walker had net liabilities of £56.1m at December 31 1990, compared with net assets of £139m claimed in the figures published in May.

Mr Nicholas Ward, who became managing director in April, said that after taking "a new, hard look" at the assumptions on which the figures were based, the group had made further writedowns of £195.1m, mainly on property valuations.


Tony Andrews
Dismissive: at his London home yesterday, George Walker rejected reasons given for an SFO investigation

# Walker squares up to the board

By Robert Peston

THERE is nothing Mr George Walker enjoys more than a scrap. Sitting in the barrel-roofed drawing room of his apartment, at the St James's Palace end of London's Pall Mall, the former boxer was tanned and relaxed, as he spoke yesterday to the Financial Times in his first interview since the Serious Fraud Office started its investigation into the leisure group which he founded and dominated for 25 years.

"It's me against the rest of the board. But I am at my best fighting. I don't know if I am being accused and if I am what it's about," he said. "If it's what I have learned so far, it's a load of nonsense." Officers from the SFO have not contacted him, but he has written to the company saying he will give the authorities any help they want.

Mr Walker has discovered that the company's decision to call in the SFO was in part due to alleged uncertainties about who signed a letter written to the company by Walker Power, a joint venture in property development between Brent Walker and Power Corporation, the Irish company. He dismisses the five line letter as "technical" and cannot understand why questions have not been raised about it before now.

Continued on Page 22

# US leading indicators give new evidence of recovery

By George Graham in Washington

DATA released yesterday gave further support to the view that the US economy is recovering reasonably strongly and will be able to avoid falling into a "double-dip" recession this autumn, although some economists still urged caution.

The index of leading indicators, one of the most widely watched economic barometers, rose a stronger than expected 1.2 per cent in July, the sixth monthly increase in succession.

The Commerce Department also announced that new orders for manufactured goods rose 6.2 per cent in July to $248.2bn, the largest monthly increase for 20 years. New orders for durable goods rose 11.2 per cent, gaining even more than the already strong performance announced in preliminary statistics last week.

The data diminished market expectations that the Federal Reserve might ease its monetary policy further. By midday, the Treasury long bond was $\frac{3}{8}$ lower to yield 8.06 per cent.

Eight of the 11 components which make up the index of leading indicators were positive in July.

Shipments of manufactured goods rose by 0.7 per cent to $240.9bn in July, while stocks diminished by 1.4 per cent and unfilled orders increased for the first time this year, rising 1.4 per cent to $521.2bn.

Economists have been announcing a recovery since the spring, but disagree on how strong it will be. The Commerce Department earlier this week revised its gross national product statistics to show that the economy had contracted very slightly in the second quarter, rather than expanding as previously thought.

Despite the sharp jump in the leading indicators, the recovery from what economists see as the trough of the recession in April has been weaker than in previous economic cycles.

Economists note, also, that the index reflects mostly manufacturing industry, which is recovering from recession much more robustly than the service sector.

Lex, Page 22



## MARKETS

**STERLING**
**New York lunchtime:**
$1.6795
**London:**
$1.681 (1.6815)
DM2.94 (2.935)
FFr9.98 (9.9625)
SFr2.5675 (2.565)
Y230 (230.25)
£ index 90.5 (90.7)

**GOLD**
**New York: Comex Dec**
$352.9 (355.7)
**London:**
$348.05 (351.95)

**N SEA OIL (Argus)**
Brent
$20.525 (20.225)

Chief price changes yesterday: Page 22

**DOLLAR**
**New York lunchtime:**
DM1.749
FFr5.94
SFr1.5285
Y136.85
**London:**
DM1.7485 (1.746)
FFr5.9375 (5.925)
SFr1.528 (1.5255)
Y136.85 (137)
$ index 66.7 (66.4)
**Tokyo close:** Y136.88

**US LUNCHTIME RATES**
**Fed Funds:** $5\frac{7}{16}$%
**3-mo Treasury Bills:** 5.482%
**Long Bond:** $100\frac{11}{16}$
yield: 8.058%

**STOCK INDICES**
**FT-SE 100:**
2,645.7 (+7.5)
**FT Ordinary:**
2,079.3 (+13.1)
**FT-A All-Share:**
1,266.62 (+0.3%)
**New York lunchtime:**
DJ Ind. Av.
3,038.69 (−10.95)
S&P Comp
394.4 (−2.07)
**Tokyo: Nikkei**
22,335.87 (+333.7)

**LONDON MONEY**
**3-month interbank:**
$10\frac{13}{16}$ (same)
**Liffe long gilt future:**
Dec $93\frac{7}{8}$ ($94\frac{3}{16}$)

SELLING PRICE IN IRELAND 80p, IN MALTA 45c

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## THE SOVIET UNION

### Defector's family is freed as new liberal chief unveils overhaul for state security service

# KGB to be stripped of key powers in big shake-up

By Anthony Robinson in Moscow

MR Vadim Bakatin, the new KGB head, yesterday underlined his liberal approach by announcing that the family of Mr Oleg Gordievski, the top KGB agent who defected to Britain, could join him in London.

With his predecessor and other senior KGB officials facing treason charges for their involvement in last week's coup, Mr Bakatin yesterday met the media to explain the reduced role of an organisation now stripped of its special military units, of more than 200,000 border guards and of key functions like guarding the president, controlling state communications and monitoring public opinion.

The overhaul of the KGB is being mirrored in the Soviet armed forces. These face the biggest shake-up in decades, following the arrest or retirement of senior officers involved in the coup and the appointment of air force General Yevgenny Shaposhnikov as minister of defence.

Gen Shaposhnikov, at 49, is the youngest head of the Soviet armed forces since Trotsky. He outlined plans for a slimmer, more professional, and more democratic army in an interview with the army paper, Red Star, saying the army must not be used in party or political confrontation, but should serve the nation and the constitution.

The general, credited with persuading commanders of crucial paratroop divisions not to obey the coup leaders, including Marshal Dmitry Yazov, his disgraced predecessor, said he would not allow a witch-hunt in the armed forces. His priority would be to rebuild morale among officers.

Mr Bakatin said the KGB would be limited to four activities: espionage, counter-espionage, protection of key state facilities and combatting crimes like terrorism, drugs trafficking and illegal currency operations.

The moves since the coup attempt have sought to eliminate the KGB's extraordinary powers as a state within a state, to eradicate all communist party cells inside the KGB

Shaposhnikov: youngest defence chief since Trotsky

and move to a more decentralised structure open to co-operation with the newly powerful republics and foreign intelligence professionals in areas like terrorism and drugs.

Mr Bakatin, sacked as minister of the interior after pressure from hardliners last December, rallied to Mr Boris Yeltsin early in the coup. In an interview with Izvestia he denounced the old-style KGB as a threat to the state and to democracy.

His self-confident willingness to answer questions contrasting sharply with his predecessors, Mr Bakatin declared himself in favour of independence for the Baltic states and revealed that the KGB was working to find a settlement in Nagorno-Karabakh, the territory disputed by Armenia and Azerbaijan.

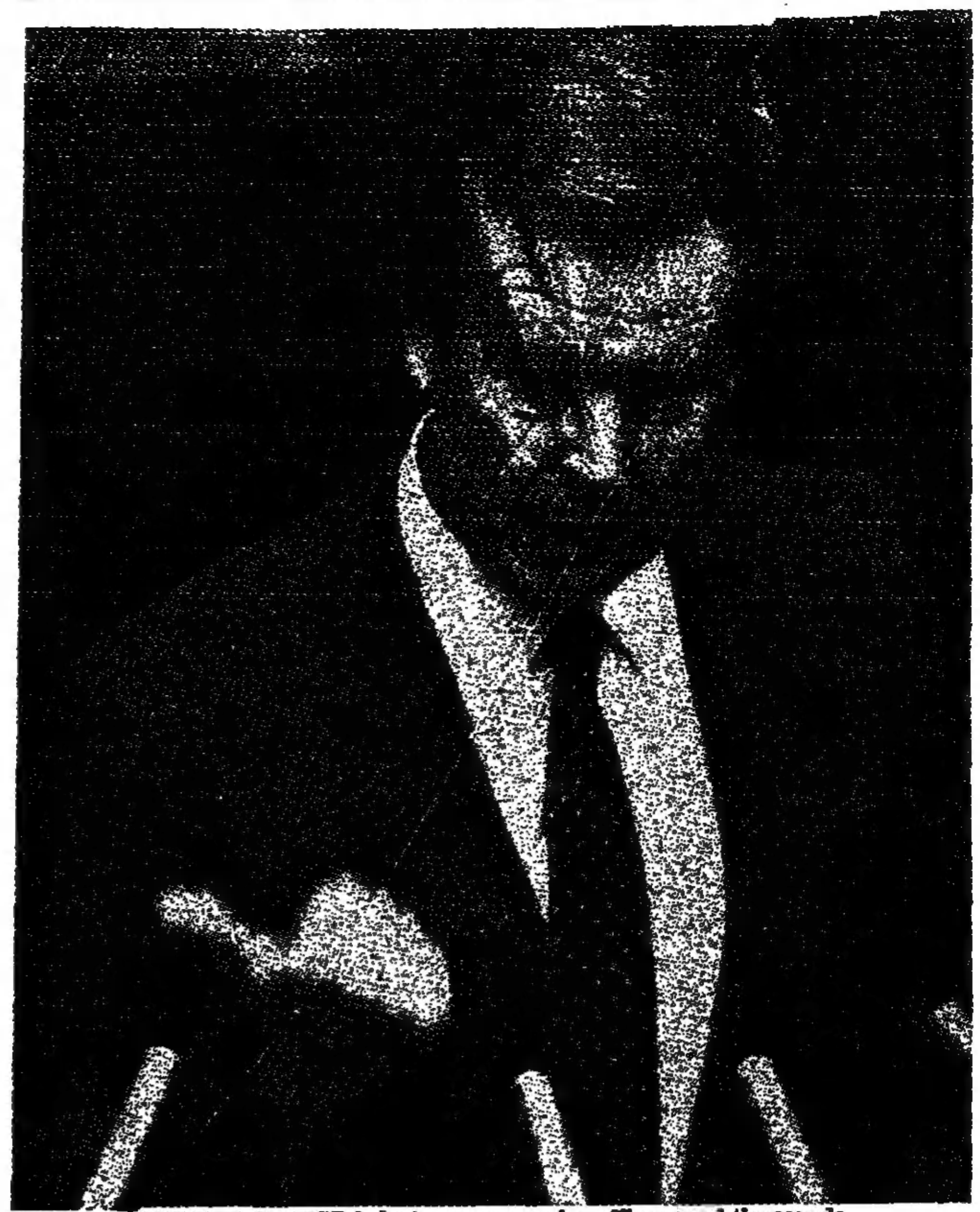
The Russian government has already taken KGB files on Russian territory under its jurisdiction but Mr Bakatin promised that no files would be destroyed and that, although operational files relating to the activities of KGB agents would remain closed, citizens would be allowed to see their files.

Gen Shaposhnikov is introducing a similarly tolerant regime to the armed forces. Conscription will be reduced to 18 months from 24 months (36 months in the navy), while a form of non-military alternative service for objectors "is not excluded", he said. Over the last three years, the armed forces have been reduced by 500,000 men to around 4.6m, of which 60 per cent are conscripts.

Mr Yeltsin's reshaping of the military this week included decrees to improve army housing, cut taxes, and improve the social conditions of officers and their families. The military is short of 200,000 homes for officers alone, while the pay of fighter pilots has reportedly fallen below that of Moscow tram-drivers.

Known as a strong critic of the military-industrial sector for its failure to supply the air force with the quality of equipment it demanded, Gen Shaposhnikov made clear that the smaller, professional armed forces of the future would not be cheap. They would demand the best equipment, but would not exceed the bounds of what he termed "sufficiency" - the "ability to ensure an efficient defence with the minimal force and means".

On the crucial issue of relations between the republics and the centre, Gen Shaposhnikov called for clearly defined demarcation of competence. He said the republics could share in military policy and the defence budget, and in such matters as training reserves and organising conscription. The creation of national guards in the republics was justified, he added.



ON THEIR WAY OUT: the KGB is losing many senior officers and thousands of troops, new chief Vadim Bakatin said yesterday

# Major to present aid plan to Moscow

By Lionel Barber in Kennebunkport, Maine and Andrew Jack in London

MR John Major, the British prime minister, yesterday ended two days of talks with President George Bush which have strengthened efforts to build a common western position on aid to the Soviet Union.

Mr Major won US support for a six-point plan which provides for expanded humanitarian and food aid this winter, but avoids an early commitment to direct financial assistance until a "clear and comprehensive economic reform plan" emerges from the Soviet Union. He will present this to the Soviet leadership tomorrow in Moscow.

The prime minister's emphasis on practical steps to help the Soviet Union suited Mr Bush, a long-standing sceptic of grand plans. But Mr Major may also have pushed the Americans a little further than expected on the issue of International Monetary Fund membership for the Soviet Union.

The joint UK/US statement on aid deliberately leaves open the possibility that individual republics might in future qualify if they produce credible economic reform plans.

Mr Major has proposed "lifeline" teams to travel to the Soviet Union to help achieve efficient food production and distribution.

These could be in the Soviet Union within two weeks, it emerged yesterday.

Much of the UK private sector involvement is likely to come through the British Food Consortium, an alliance of six companies with interests in the Soviet food industry and one bank.

Sir Ronald McIntosh, consortium chairman, said he believed detailed analyses of practical food distribution problems could be carried out in three months.

The consortium includes Allied-Lyons, APV, Booker Tate, Morgan Grenfell, Taylor Woodrow, United Biscuits and Vestey.

It carried out a nine-month study of agriculture in the Kiev region.

## Meeting in doubt

A human rights conference due in Moscow next month may be postponed because of the turmoil in the Soviet Union, Leyla Boulton writes. It was called by the 35-member Conference on Security and Co-operation in Europe 2½ years ago to mark progress in Soviet human rights under President Mikhail Gorbachev.

## Troop withdrawal

The 258,000 Soviet troops in Germany will almost certainly be withdrawn nearly two years before the end-1994 deadline, according to Mr Willy Wimmer, a state secretary in the German Defence Ministry, David Goodhart writes from Bonn. As a result Germany may top up the DM15bn (£5.1bn) it is already paying to help fund the pullout.

## Cheney cautious

Mr Dick Cheney, US defence secretary, has warned against cutting defence spending to pay for aid to the Soviet Union, George Graham writes. He urged increased spending on anti-missile protection because of doubts over future control of the Soviet nuclear arsenal and the increased threat of missile proliferation.

## Japanese soothed

Soviet and Russian republic officials have assured a Japanese delegation that Soviet nuclear weapons will stay under control of a central government, Stefan Wagstyl writes from Tokyo.

# Britain to discuss return of Baltics' gold

By David Blackwell

A PLEDGE by France yesterday to return to Lithuania 2.1 tonnes of gold held since the Soviet Union annexed the country in 1940 may not be matched by the UK.

The Baltic states had 14 tonnes of gold with the Bank of England, worth £95m today. However in 1968 the British government sold the lot for £5.8m to settle a long-standing dispute with the Soviet Union.

"At the time future Baltic independence was regarded as almost inconceivably remote," the Foreign Office said yesterday. "However, the government did say then and does say now that the Baltic states would be able to come back to us if they had a case."

The matter is certain to be raised next week when Mr Douglas Hogg, Foreign Office minister, visits the Baltic states.

However much of their gold the Baltic states eventually recover, the prospect of sales from the region is not troubling the London gold market. The same cannot be said of the Soviet gold in the west.

During recent weeks gold traders have been all too aware of the amount of Soviet gold which could come onto the market. Some believe that the break-up of the Soviet Union will lead to increased gold sales in the west, but others are not convinced.

"The view on our trading desk is that talk of Russian gold sales is shortsighted," said one analyst yesterday. "If they maintain the gold in London they can continue to use it as collateral. Otherwise they have shot their bolt."

The Soviets probably have accounts with all eight of the London banks which have bullion vaults. Gold stored in the vaults can be sold, swapped, placed on deposit (which attracts a small rate of interest) or just left in storage.

However, no one knows the amount of Soviet gold in the west; the Soviets have jealously guarded the secrets of their gold industry. Mr Alexandre Doumnov of Gosbank, the Soviet state bank, lifted the veil slightly at the FT Gold Conference in Vienna this summer when he said the bank's reserves totalled 374.5 tonnes. But the country, the biggest producer after South Africa, keeps its total gold stocks strictly under wraps.

Gold price hits 14-month low, Page 18

# Former speaker is arrested

By Our Foreign Staff

THE fall-out from last week's abortive coup continued yesterday with confirmation that Mr Anatoly Lukyanov, the former speaker of the Supreme Soviet, had been arrested after having been deprived on his parliamentary immunity for his alleged key role in the coup.

Mr Lukyanov had been accused by Mr Boris Yeltsin of being the "chief ideologue" behind the coup.

Nervous deputies of the Supreme Soviet later voted to protect themselves from searches by prosecutors investigating the coup after Mr Valentin Falin, a former ambassador to West Germany and senior communist party central committee member complained that his home had been searched while he was addressing the parliament.

More details emerged yesterday about the Russian Republic's abortive attempt earlier in the week to gain control over the Soviet Union's foreign economic relations, including all foreign exchange trading. The Russian prime minister, Mr Ivan Silayev, is understood to have prepared a decree cancelling a previous attempt to subordinate the foreign economic relations bank, Vneshekonombank, to Russian control over currency transactions.

The original move angered other republics because the bank handles most foreign payments, and it also worried the foreign banking community because Vneshekonombank is responsible for servicing the Soviet Union's foreign debt.

A banking source said the Russian leadership quickly realised it could be made responsible for the debts of the central government and all the republics. It quickly gave Vneshekonombank general permission to conduct its operations as it saw fit.

# Economic priority is to avert a winter of discontent

**Leyla Boulton** assesses the task of rescuing an economy awash with money but desperately short of food and fuel

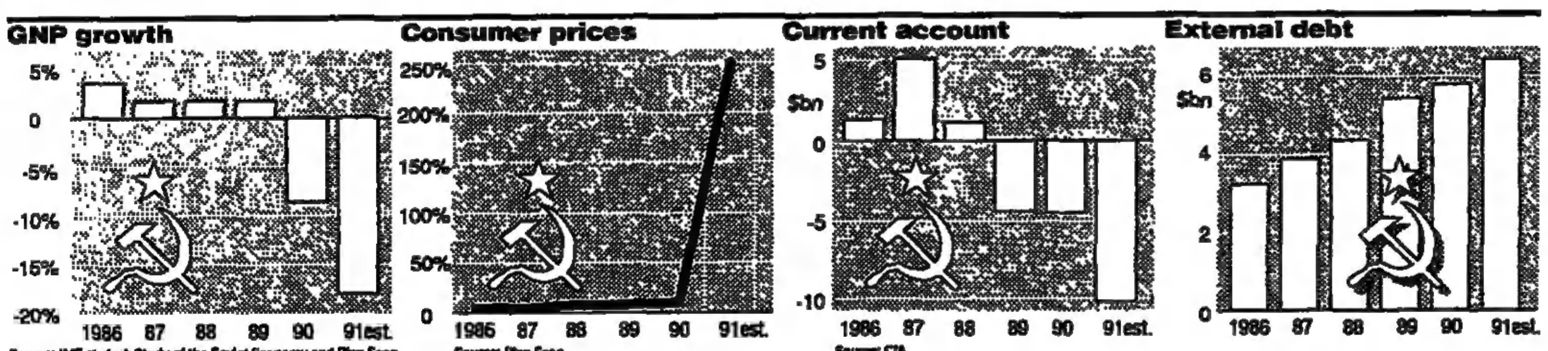
IF, despite its apparent break-up, the Soviet Union can pull together a political consensus to rescue its economy, its priorities will be to see the country through the winter and get a grip on the financial chaos.

Even though Azerbaijan yesterday became the 10th republic to declare independence, the special committee set up in Moscow to run the economy after last week's coup is hoping joint economic action will still be possible.

The committee's policy recommendations will mostly depend on the political arrangements reached to preserve some semblance of unity, with a first opportunity for some clarification emerging at next week's meeting of the super-parliament, the Congress of People's Deputies.

Although all 15 republics agreed this week to take part in the committee, they have yet to restrain voluntarily their bid for sovereignty and resist the temptation of trying to rescue their economies independently.

While most seem reluctant to to create their own currencies, they have yet to subscribe to a common financial stabilisation programme. One powerful magnet to pull the republics together could be the west's insistence that substantial financial assistance will only be available if there is a coherent partner to give it to. A western expert




said yesterday that otherwise only emergency aid and technical assistance, which could be handled by the republics, would be forthcoming.

"We must create a mechanism whereby republics agree that during a transition period of two to three years, there should be a central bank with powers to control inflation and an agreement on a budget," said Professor Yevgeny Yasin, a prominent Soviet economist close to the committee. "If this does not happen, we have no chance of salvation."

Prof Yasin is an adviser to Mr Arkady Volsky, a committee member. He is also a co-author of the 500-Day Programme initiated by Mr Grigory Yavlinsky, another committee member.

While the dollar is accepted everywhere in the Soviet Union, the rouble can buy little, except at exorbitant black market prices. According to Mr Viktor Gerashchenko, the central bank chief, the Union budget deficit at the beginning of the month came to Rbs72bn, not taking into account the budget deficits of individual republics whose spending is also stoking inflation and further debauching the currency.

Over the past two months, cash in circulation grew by Rbs23bn to Rbs160bn, according to Prof Yasin. Credits extended by central and republican authorities are also skyrocketing, and many enterprises are simply not paying taxes. "The situation is very, very dangerous," Prof Yasin said.

He said that whatever happened there would be high inflation, but if republics grouped together, there could be a common financial stabilisation policy to deal with it. He said he believed a recent estimate putting inflation at 100 per cent was "modest" and that inflation this year could hit 200 per cent.

Prices should be liberalised, but with state controls remaining in those sectors which had no competition. In those areas which already had some degree of competition, such as agriculture, light industry, food production, and construction, prices could be freed.

A more dramatic priority is ensuring there will be enough fuel and food to see the country through the winter. The fear is that the country could suffer another coup, or a popular rebellion, if the shops are empty this winter, and the power is turned off in people's homes.

While some initiatives can be taken at republican level, joint action would require a removal of trade barriers between republics.

Although it is not clear how feasible this is, the committee seems to be sticking to one of the old government's proposals: dispatching all consumer goods produced in September to the countryside to persuade peasants to sell or barter their grain.

There is also need for a parallel system of trade to evolve alongside the corrupt old state distribution system. This new supply network could involve the burgeoning Soviet-style commodity exchanges and the army.

"I would not even start fiddling with the collective and state farms and the question of private farming. I would simply have a situation where any peasant was told, "Look you will be paid however you want for your produce. Just sell it," said Prof Yasin.

One western agricultural attaché agreed there were measures which could be effective within a fairly short period of time – such as freeing prices, and pumping extra goods, including imports, on to consumer markets.

As for falling industrial output, the main task would be to minimise decline in sectors which were key for survival such as energy, food, and transport. "I believe a fall in production is inevitable. The problem is to limit the fall in branches on which people's lives depend," said Prof Yasin.

This should be accompanied by measures to boost entrepreneurship, and attract foreign investment.

While privatisation of services and industry, and the creation of private property, was essential to a successful market economy, it was not such a priority that it should be rushed at all costs. "If we hurry with privatisation, people will make bad use of what is privatised. Privatisation is a strategic goal but not something which can be achieved in just one year."

## INTERNATIONAL NEWS

# Growth in west Germany likely to slow

STRONG domestic demand and continued heavy investment drove west German economic growth 4.8 per cent higher in the second quarter of the year, Chris Parkes reports from Bonn.

This advance, following a 4.2 per cent rise in the first three months, brings aggregate growth for the first half to 4.5 per cent.

Progress is expected to slow in the second half, as the impact of tax increases and weakening exports feeds through.

Mr Jügen Möllemann, economics minister, yesterday repeated that growth would be "3 per cent or somewhat more." But he also warned against "unfavourable price developments" and over-generous wage settlements.

# France plans to limit deficit with partial privatisations

By Robert Mauthner in Paris

THE French Government is planning partially to privatise several state-controlled companies to help limit the 1992 budget deficit, which threatens to exceed the original target.

Mr Pierre Bérégovoy, the finance minister, said yesterday that, while a decision still had to be hammered out by the government and President François Mitterrand, he favoured an extension of partial privatisations. The one major condition should be that the state retained a majority stake in partially privatised companies.

The statement came after Mrs Edith Cresson, the prime minister, conceded a demand by Mr Pierre Joxe, the defence minister, that planned cuts in the defence equipment budget should be restored. The decision prevented France from pulling out of the four-nation NH 90 military helicopter project, which Mr Joxe had foreshadowed in an astute budgetary bargaining move.

Mr Bérégovoy, obliged to find some FFr4.6bn (£460m) to offset the restored defence budget cuts and with his hands tied by an undertaking not to increase the tax burden substantially, is clearly ready to brave presidential disapproval and opposition of left-wingers.

Even partial privatisations would run counter to President Mitterrand's much-publicised promise during the last presidential and general elections in 1988 that there would be "neither further nationalisations nor privatisations" during his second term.

In practice, however, this principle has already been undermined. When the large state-controlled Péchiney metals and packaging group took over American National Can, it created a number of subsidiaries with private shareholdings.

The latest exception to Mr Mitterrand's edict came at the beginning of this month, when the state-owned bank Crédit Local de France was authorised by the Finance Ministry to offer at least 20 per cent of its capital to private shareholders, an operation expected to swell the government's coffers by as much as FFr1.4bn to FFr1.8bn.

Bérégovoy: decision to be hammered out

# UK to send Jaguar jets to help protect Kurds

By David White, Defence Correspondent

BRITAIN is to send Jaguar combat jets to join the international force now based in south-east Turkey to provide protection for the Kurds of northern Iraq against attack by Iraqi forces.

The force of eight Jaguar aircraft, which will perform primarily a reconnaissance role, is expected to leave in about a week to join US and French military jets operating from Turkey's Incirlik air base.

The decision to send an RAF contingent comes more than three months after the last of the British aircraft deployed during the Gulf conflict were withdrawn from the region.

A Jaguar close-support squadron was among the first UK deployments to the Gulf in the immediate aftermath of Iraq's invasion of Kuwait last year.

British officials have been working for some time on plans to join the air effort – which includes US A-10 and F-16 aircraft – in order to supplement the UK's contribution.

The residual international force, set up after the withdrawal of allied forces from northern Iraq, already includes about 130 Royal Marines.

Mr Tom King, defence secretary, said the aim was to provide further reassurance to the Kurdish population of northern Iraq and to "maintain the coalition's ability to respond swiftly and effectively to any Iraqi behaviour which may threaten local peace and security."

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INTERNATIONAL NEWS

Japanese bank chiefs admit shortcomings to televised Diet inquiry

# Lax controls led to scandals

By Stefan Wagstyl in Tokyo

THREE top Japanese bank presidents yesterday admitted that lax credit controls contributed to their banks' involvement in financial scandals.

Mr Sotoo Tatsumi of Sumitomo Bank, Mr Yoh Kurosawa of Industrial Bank of Japan and Fuji Bank's Mr Toru Hashimoto gave evidence to a parliamentary committee investigating the affairs. Cross-examined in televised hearings, the three were the first bankers summoned to the Diet since 1970. They provided ample evidence of how some of their managers were carried away by the pursuit of profit.

Mr Tatsumi and Mr Hashimoto both said their banks' excessive emphasis on profit contributed to the scandals. "We made bad judgments. We lacked discretion," said Mr Kurosawa as he described IBJ's relations with Ms Nui Onoue, a restaurateur who borrowed huge sums for stock investment. She is under arrest for allegedly using forged deposit certificates worth Y342bn (£1.49bn) as collateral, along with a manager at Toyo Shinkin, a small Osaka bank which issued the paper.

Mr Kurosawa said lending to Ms Onoue began in 1987 with Y2.5bn after she bought IBJ loan stock worth more than Y6bn. The bank then increased its loans as Ms Onoue bought more loan stock. At the peak, Ms Onoue borrowed Y90bn from the bank itself and Y240bn from the whole IBJ group. But these amounts were not excessive, he said, given that Ms Onoue held IBJ loan stock worth Y140bn. Mr Kurosawa said Ms Onoue's borrowings from the bank had now fallen to Y20bn.

Mr Kurosawa admitted that IBJ had failed to detect the forgeries when it accepted Ms Onoue's certificates as collateral. It had also accepted as genuine fake tax certificates Ms Onoue had lodged as proof of her worth. Mr Kurosawa denied she was involved with gangsters – IBJ had checked this when it heard rumours.

Sotoo Tatsumi: denied judgment was coloured

Mr Tatsumi spoke about Sumitomo's role in funding Itoman, a trader-cum-property developer driven to the brink of bankruptcy by investments in land and art. Mr Yoshihiko Kawamura, Itoman's former president, and two other men have been arrested on allegations of embezzlement and breach of trust.

Mr Tatsumi apologised for the fact that Sumitomo had failed to prevent snowballing of Itoman's borrowings. Sumitomo advised Itoman to get out of the increasingly risky property business, but it refused to listen. Mr Tatsumi denied that the bank's judgment had been coloured by close personal ties between Itoman's ex-president, Mr Yoshihiko Kawamura, and Mr Ichiro Isoda, Sumitomo's former chairman.

Mr Hashimoto confirmed Fuji too had been involved with Itoman – but unwittingly. It introduced customers to Osaka Fumin Shinyo Kumiai, an Osaka credit union, without knowing that the customers' funds were on-lent to Itoman.

# Japan's surplus may add to friction

By Steven Butler in Tokyo

JAPAN'S current account surplus nearly tripled in July, while Japan also became a big net importer of long-term capital, the Ministry of Finance said yesterday. The current account surplus rose from $1.93bn in July last year to $5.04bn.

The trade surplus rose sharply from $5.32bn to $8.64bn, raising the prospect of increased friction with Japan's trading partners. Exports rose 10 per cent to $25.74bn, while imports fell 5.4 per cent to $17.1bn.

The monthly balance of payments figures also showed that Japan was again a large net importer of long-term capital in July, with the long-term capital account showing a surplus of $3.98bn, compared to a deficit in July 1990 of $8.06bn.

Japan was a net importer of capital in the first half of the year for the first time since 1980 after a decade in which Japan more than recycled its large current account surplus with large-scale investments abroad, including large purchases of US equities and government bonds.

Japanese capital exports hit a peak of $137bn in 1987. The surplus in the first half of the year was accounted for mainly by a surge in foreign purchases of Japanese securities. Last month saw a decline by roughly half, to $9.55bn, of new funds put into all categories of Japanese overseas investment, compared to a year ago.

Inward investment rose from $10.5bn to $13.5bn. Japan's basic balance, the current balance minus the long-term capital account, registered a surplus of $9.02bn, compared to a deficit of $6.14bn last year.

August consumer price data for the Tokyo area released yesterday showed prices were 3.6 per cent higher than a year ago.

However, when a sharp rise in vegetable prices due to weather conditions is excluded from the index, prices showed a year-on-year increase of 3.1 per cent, identical to July.

A 21.0 per cent decline in housing starts to 125,160 units for July added to evidence of a slowing economy. New apartment construction fell 27.8 per cent to the lowest level in 22 months, the Construction Ministry said.

NEWS IN BRIEF

## UN backs Cambodia efforts

BRITAIN, France, the Soviet Union, China and the US gave qualified support yesterday to Cambodian peace efforts, AP reports from Thailand.

A joint communiqué issued by the five permanent members of the United Nations Security Council cited "very positive progress" during a week-long Cambodian peace conference. But they called on Cambodia's four warring sides to resolve the issue of how elections will be run.

## Malay convicted of insider dealing

A Malaysian national who worked for Australia's securities regulator became the country's first person convicted of insider trading yesterday, Reuter reports from Melbourne.

Kian Lang Teh, 33, then an accountant with the National Companies and Securites Commission (NCSC), pleaded guilty in Melbourne's County Court to 27 counts and will be sentenced on Monday. Teh bought shares under his mother's name, the court heard.

## Mexico candidate stands aside

The Mexican ruling party's victorious candidate for governor in the state of Guanajuato has declined to take office, in an attempt to defuse mounting criticisms over the conduct of this month's mid-term elections, Damian Fraser reports from Mexico City.

Mr Ramon Aguirre had officially won the election by 55 per cent to 35 per cent, but the opposition National Action Party alleged fraud, and refused to concede defeat.

Two members of a Croatian anti-terror squad patrol the outskirts of Vukovar

# EC foreign ministers begin moves to isolate Serbia

By David Gardner in Brussels and Laura Silber in Belgrade

EUROPEAN Community foreign ministers will hold a special meeting on the Yugoslav crisis next week which could see the first measures to isolate Serbia, and the convening of an EC-sponsored conference on Yugoslavia's future involving those parties to the conflict which accept mediation.

The meeting, in the Hague on Tuesday, comes two days after tomorrow's deadline for the warring parties to agree to a monitored ceasefire and a peace conference.

A conference without Serbia "would bring recognition [of secessionist Slovenia and Croatia] that much nearer," a senior EC diplomat involved in the mediation efforts said yesterday.

The EC has twice this week explicitly blamed Yugoslavia's Serbian-dominated federal army and Serb paramilitaries in Croatia for the continuing fighting there.

Foreign ministers of the Twelve gave Serbia until tomorrow to accept a ceasefire, lift its objections to the EC fully monitoring the situation in Croatia, and agree to a peace conference, with arbitration by a five-strong commission of European lawyers.

Yugoslavia's federal government yesterday accepted the European Community peace proposal.

At a new conference in Belgrade, Mr Ante Markovic, the prime minister, said: "The federal government, [including General Veljko Kadijevic, the defence minister] has completely and unanimously approved the EC declaration ... to stop the tragic escalation of the conflict, and begin the peaceful and democratic dialogue on the future of Yugoslavia."

In Paris on Thursday for talks with President François Mitterrand, Serbian President Slobodan Milosevic said he would "study" the EC proposals.

Mr Milosevic, who is now isolated within the shattered federation and the EC, has refused to allow EC observers to monitor a ceasefire.

If Mr Milosevic's assent is not forthcoming by tomorrow, the EC will go ahead with a conference, and consider "international action" against Serbian expansionism.

Precisely what action the EC might take has not been specified, except to rule out any military involvement. The European Commission is examining whether there are plausible ways of releasing frozen aid and credit for Yugoslavia only to those republics inside the peace process, while working to isolate Serbia.

# Sri Lankan president suspends parliament

SRI LANKAN President Ranasinghe Premadasa suspended parliament for a month yesterday, avoiding early debate on an impeachment motion against him backed by two ministers, Reuter reports from Colombo.

Members of the opposition said some 120 opposition and government parliamentarians had signed a motion citing 24 alleged cases of his abuse of power, corruption and illegal family deals.

The two ministers who backed the motion were Mr Lalith Athulathmudali, education minister, who said he had sent a letter to Mr Premadasa offering to resign, and Mr G.M. Premachandra, labour minister, who said he was submitting his resignation yesterday.

Many parliamentarians were concerned at the power of the presidency and the erosion of the power of parliament, Mr Athulathmudali said. Mr Premachandra said he was one of more than 40 government members to sign the motion.

Opposition leader Ms Sirima Bandaranaike told reporters that the action was being taken against Premadasa and not the ruling United National Party. "The country is facing a national crisis," she said.

If the motion is passed, it must be submitted to the Supreme Court for an inquiry. The ruling United National Party controls 125 of the 225 parliamentary seats. Political analysts doubt whether the rebels could muster sufficient support to secure an impeachment.

"But it is definitely a blow for the president that his own party members have signed," one analyst said. The president had acted fast to minimise the damage.

# Nigeria places bank debt pact in jeopardy

By William Keeling

NIGERIA has declined to make a $15.8m payment to its commercial bank creditors and placed in jeopardy an agreement signed in principle last March to re-schedule the country's $5.8bn of commercial bank debt.

The payment was due on August 21, but officials of the London Club of commercial banks say that the Nigerian central bank have told them that it will not be forthcoming.

The deal was designed to allow Nigeria to buy back at a steep discount up to 60 per cent of its commercial bank debt.

The agreement had already been delayed after the banks were split over a section which provided for any debt not covered in the buyback to be converted into 30-year bonds.

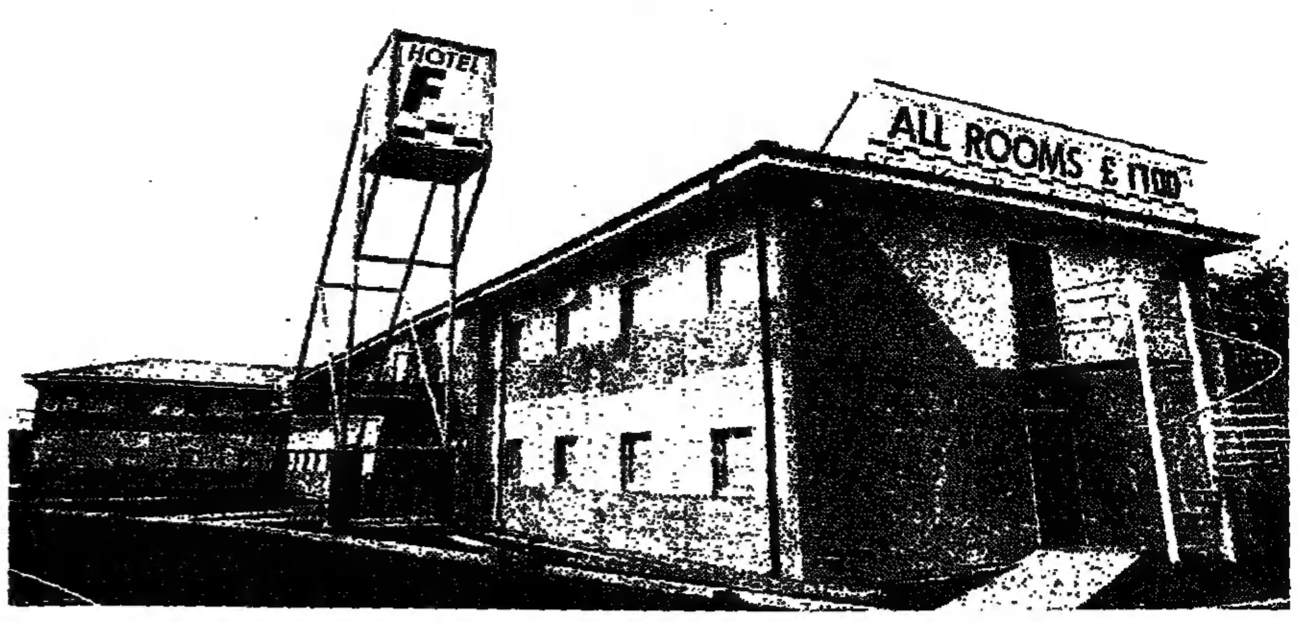
The bonds were to carry a 6¼ per cent interest rate, with the principal to be covered by US Treasury bonds or their equivalent.

French banks had rejected the government proposal that bonds issued by the Resolution Funding Corporation (Refcorp), a US government agency, be used as collateral. Refcorp paper carries the highest triple-A credit rating.

At the March negotiations, Nigeria agreed to pay 6¼ per cent interest – the same as on the proposed bonds – on the total debt until a final agreement was signed.

Some bankers speculate that the decision to withhold interest payments is designed to pressure banks to reach a collective agreement on the use of Refcorp paper as collateral. But as one banker explained, "The deal is firmly logjammed and this move could just make matters worse".

UK NEWS




Accommodating the market: all rooms cost £17 and guests can check in automatically by using a credit card

# Motel formula goes for basics

**David Churchill** on a French hotel group homing in on a market gap

DONCASTER is the unlikely starting point for a French hotel chain's ambitious plans to make inroads into Britain's traditional bed-and-breakfast and small commercial hotels market.

It is on the edge of this northern town that Accor, of France – the world's fourth-largest hotel chain – will in September officially open its first Formule 1 budget hotel in Britain. It operates nearly 200 such hotels in France and new ones are opening at the rate of one a week.

What makes the 64-bedroom Doncaster hotel special for Britain is that it offers for a fixed price of £17 a room a higher standard of accommodation than usual for the lower end of the hotel market. This budget sector ranges from bed-and-breakfast guest houses at £10 a night up to small commercial hotels typically costing about £20 a night.

Mr William Miller, chairman of Accor in the UK, explains: "British hotels typically concentrate on the more prosperous traveller, and while there is clearly a demand for these hotels there is also, we believe, untapped potential for people who need to travel but don't want to pay £30 to £40 a night."

The Accor move comes as the UK hotel industry is still suffering from recession. "It's the worst time for the hotel industry in modern times," says Mr Andrew Bower, associate director of Druce Hotels and Leisure, a property agency that specialises in hotels. "There are a number of hotels teetering on the edge of bankruptcy, only kept going with the goodwill of their banks."

UK hotel occupancy overall is still between 5 per cent and 10 per cent below last year's levels, according to trade estimates. Figures from Horwath Consulting, part of the Stoy Hayward accountancy group, show average occupancy in London for all hotels of just 60 per cent in June, down from 72 per cent last year and 79 per cent in 1989.

Such a decline has dented confidence in the hotel industry. Investment in new tourism and leisure projects, mainly new hotels, has declined by 25 per cent this year, according to figures from the English Tourist Board. Mr Stephen Mills, the ETB's assistant director, says: "There is no sign that such investment will rise in the near future."

Yet what makes this recession different for the hotel industry in comparison with previous downturns – such as the early 1980s and again in 1986 – is that the slide has been across the board. Previously, the top end of the market suffered most, with budget accommodation at the lower end proving more resilient.

This time the bed-and-breakfast budget sector has suffered equally. Even in Blackpool, heartland of guest house accommodation, some landladies have had to cut prices to as low as £7 a night to attract trade.

Mr Miller believes the current market is right for launching the Formule 1 concept in Britain. "People are more cost-conscious, so we expect to get people trading down to us from more expensive hotels," he says. "In addition, the cost of buying sites is cheaper now due to the recession."

The Formule 1 approach is to offer a comfortable room in a hotel close to a motorway or big trunk road, but without any of the frills, such as telephone or room service. Each room is identical, with nine square metres of floorspace, a double bed and bunk bed, a work area, television and wash basin. Toilets and showers are shared between four rooms.

The no-frills concept extends to checking in and out. Guests can check in in the normal way when the reception desk is staffed, or check in using a credit card to automatically obtain a room. That makes use of electronic technology to allocate an empty room and a code number that enables the customer to gain entry.

Electronically checking in and out may seem off-putting to many travellers, given that surveys have shown that some eight out of every 10 Britons have never stayed in a hotel. The French, however, have not been deterred by the impersonal nature of these budget hotels. Since the chain was launched in 1985, occupancy rates have averaged 77 per cent over a full year, compared with an average of about 65 per cent for all hotels in France.

Prefabricated construction allows each 64-room hotel to be built in just six weeks at a cost of about £1m, significantly less than the several millions of pounds needed to build a similar-size hotel by conventional building methods.

Mr Jonathan Bodlender, managing director of Horwath Consulting, believes that Formule 1 is a return to the original motel concept in the US that founded such hotel chains as Holiday Inn and Howard Johnson. "These were limited-service, no-frills hotels built on motorways and with easy access," he says. "With the great increase in motoring in Britain and France, there is no reason why the idea shouldn't work here as well."

Accor is not alone in believing UK hotel prices are too high in the present recession. Forte, Britain's biggest hotel chain, has recently emulated the US system of selling rooms at a single rate, irrespective of whether one or four people share the room. Its Posthouse three-star chain, for example, sells rooms at £49.50 during the week for business travellers and £10 less at weekends for leisure customers.

Ms Barbara Beckett, Forte's marketing director for hotels, says she has been "very pleased" with the response to the scheme since its June launch, but declined to give exact occupancy rates. Forte's Travelodge budget chain, which sells rooms at just under £30, reports a 99 per cent occupancy rate for last Saturday.

Accor has plans for three more Formule 1 hotels to be opened before the end of the year and, if successful, plans 20 more next year. Given those numbers, the French invasion will do little in the short term to worry the estimated 20,000 guest houses and small commercial hotels in Britain.

"But in the long run," Mr Bodlender says, "it can't do anything else but make people more conscious about better-quality overnight accommodation. And that will inevitably lead to higher standards all round."

# Early move urged on nuclear waste

By Juliet Sychrava

THE government should make an early commitment to plans for an underground nuclear store, or deep repository, the Radioactive Waste Management Advisory Committee said yesterday.

The committee told a meeting to present its twelfth annual report that the repository was needed because large volumes of intermediate nuclear waste were being held around the UK.

Professor John Knill, the committee's chairman, welcomed the decision by UK Nirex, the nuclear waste disposal body run by the four state-owned nuclear companies, to present the case for the repository in an environmental statement. That will be available well before the public inquiry into the repository due in 1994.

"It is a step on the right road," Prof Knill said.

Friends of the Earth, the environmental group, said yesterday it was still concerned that Nirex would not have time to collect and assess all the geological evidence it needed to present a full safety case at the public inquiry.

Mr Patrick Green, the group's radiation campaigner, said: "The full safety case will be available later and decided in secret between the nuclear industry and the government." By then, he said, it would be hard to stop the repository going ahead.

Prof Knill agreed that the full safety case needed to be public.

The commission accepted Scottish Nuclear's proposal to store nuclear waste in "dry storage" facilities rather than reprocess it. That was consistent with "sound radioactive waste management practice," the committee said. However, unlike the deep repository, dry storage was not a long-term solution for nuclear waste, Prof Knill emphasised.

## Retirement life poses challenge

By Tim Lawrence

ACHIEVING a good quality of life for 20 or 30 years after the age of retirement will be one of the main challenges of the 1990s, a professor of geriatric medicine told the association yesterday.

Professor Robert Stout, of The Queen's University of Belfast, said there had been a large increase in the number of people aged 85 and over in the past decade – a trend that would continue into the 21st century.

Income, food, housing and health are important for a good quality of life, Prof Stout told the conference, but autonomy – the ability to decide your own lifestyle – is the most important.

"It is better that elderly people should live independently and in the way that they wish, even at some risk, rather than be cocooned in a safe and sheltered environment but unable to exercise their own will," Prof Stout said.

Private nursing homes had proliferated, partly to meet the needs of dependent elderly people, Prof Stout said, but they might also reflect a general philosophy that old people should be housed where they were not likely to cause anxiety to their relatives.

Society had to learn to accept the consequences of old people living autonomously. "We accept that when children learn to walk or to ride a bicycle they may fall."

# Genetic crop defence study

By Andrew Jack

RECENT advances in genetics may allow the natural defences against insects used by wild crops – which have been destroyed by modern breeding techniques – to be reinstated.

Dr John Pickett, head of the insecticides and fungicides department at Rothamsted Experimental Station in Harpenden, Hertfordshire, told the British Association annual conference in Plymouth that crop plants might be able to achieve the robustness against pests and diseases possessed by their wild ancestors and still maintain the qualities demanded by agriculture.

Resistance to pesticides and the perceived hazards they pose to humans and the environment are driving the search for safer, sustainable

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approaches to pest control.

The emission of pheromones – natural chemicals – to simulate the presence of females, for example, can be used by plants to confuse males and disrupt mating, or to attract them in one area.

Other chemicals include substances that interfere with the sensory nervous system of insects and prevent them from feeding.

At the same time, some traditional cultivation methods can also be used as a deterrent, such as intercropping of onions and carrots, where both plants are grown side by side.

Dr Pickett said the mechanisms were still not fully understood.

● A national policy to reduce the amount of pesticides sprayed on farmland was demanded by the TGWU general union yesterday.

Mr Bill Morris, the union's general secretary-elect, said: "We owe it to ourselves and to the future of our country and the planet to find ways of reducing our use of pesticides."

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# Countryside dangers highlighted

By Andrew Jack

CHANGES in management practices, legislation and pollution have helped to create "dangerous country" in the UK that threatens its population and the environment.

That warning was given to the meeting by Professor Roy Brown, who holds the chair of countryside management at Polytechnic South West.

The countryside is a difficult and dangerous place, not the idyllic backdrop many imagine, he said. Increased mobility and leisure time are increasing risks to visitors and bringing greater hazards to the land itself. Divergent agricultural and conservation laws have made things worse.

*SIR David Attenborough, the distinguished zoologist who broadcasts on wildlife matters, took over as president of the British Association at the end of its annual meeting yesterday.*

The countryside is more than ever threatened by fire, by spread of weeds and by erosion caused by the density of visitors. People there are exposed to occupational hazards, diseases and dangerous insects and animals.

The significance of geology in affecting health may be far greater than imagined, said Dr John Potter, principal of Farnborough College of Technology. Detailed geochemical atlases being produced will help to emphasise the fundamental influence on the environment of geology, which is frequently overlooked.

Many diseases are concentrated in particular parts of Britain and may be associated with soft-water areas or those with dangerous trace elements.

# Labour attacks council tax plans

By Alison Smith

THE COUNCIL TAX is set to be as unworkable as the poll tax it replaces, Labour warned yesterday as it published a leaked government paper on benefits and discounts under the new system.

Mr David Blunkett, the opposition local government spokesman, said the proposed arrangements for the new tax, which is based largely on property values, were so complicated that local authorities would almost inevitably need some form of register.

Mr Michael Heseltine, the environment secretary, has said that, in contrast to the poll tax system, local authorities would not need to maintain a register.

The opposition said the leaked document, which was the subject of a confidential discussion between officials and local-authority representatives on Wednesday, showed:

- In most cases councils would need to know the numbers of people in a household and the relationships between them.
- Bills of identical households could differ solely on the basis of who was nominated as the person liable to pay the tax.
- Entitlement to help with bills could be lost if additional adults moved into a household.

The Department of Social Security said information needed for the council tax benefit system did not necessarily require a register, and could be gained from the claim forms filled in by those applying for the benefit.

Labour said, however, that local authorities would need extensive and detailed information because the tax involved single-person household and "status discounts" (for categories such as students and student nurses) as well as the benefit arrangements themselves.

Mr Blunkett said: "The retention of the 'head count' element as a central feature is clearly the price the right wing of the Tory party extracted for their co-operation on poll tax abolition."

# GEC and BAe cut bid for naval helicopter contract

By David White, Defence Correspondent

THE GENERAL Electric Company and British Aerospace have cut the price of their joint bid for handling the Royal Navy contract for the EH101 Merlin helicopter, in a last-ditch attempt to stop the deal going to IBM of the US.

The contract, due to be decided by the government in the next few days, is worth £1.5bn to £2bn. It includes the helicopter itself, being developed by Westland of the UK and Agusta of Italy, and all its electronics and weapons systems for anti-submarine warfare.

IBM has joined with Westland in its bid to act as prime contractor for the Royal Navy version of the helicopter. GEC and British Aerospace formed a joint company last year to bid for the contract.

Amid widespread expectation that the IBM-Westland consortium will clinch the deal, Lord Weinstock, GEC's managing director, is understood to have circulated a reduced offer to government ministers this week.

The group is thought to be prepared if necessary to treat the contract as a "loss leader" to secure a place in the helicopter business and reinforce its wider interests in naval defence systems.

It is understood that Lord Weinstock made the last-minute offer in a personal letter to Mr Tom King, the defence secretary, which was also sent to other government departments involved in the decision, including the Department of Trade and Industry, the Foreign Office and the Treasury.

The GEC-BAe team has argued strongly that a US-led programme would enable the US government to obstruct exports of the helicopter. However, IBM has told the government that the US content in the project would be no more than 1 per cent of the total. It has said it intends to buy the mission avionics for the helicopter in the UK.

The defence ministry decided last year to place responsibility for the troubled EH101 programme with a risk-carrying prime contractor and to open the contract to competition.

Final bids were submitted in May and a decision had been expected in July. The first UK production order is due near the end of the year and is expected to involve about 40 helicopters rather than the 50 originally expected, reflecting a planned reduction in the navy's frigate fleet.

The overall contract will cover the completion of development, delivery of this first batch of helicopters and support during service for the first three years.

# Traders with a pitch in the market economy

## Emma Tucker on how business at souvenir stalls has picked up

BEEFEATER dolls, maps, postcards and police helmets were shifting smartly at 10am at Mr John Richardson's souvenir stall in Westminster, central London.

"Things have picked up," he said as he darted from one postcard stand to the other. "It's as good as last year".

Things could not have looked worse a few months ago. There was the Gulf war, the recession and "all of a sudden, bombs up the road", he said, referring to the IRA mortar attack on Downing Street in February.

The summer rush of souvenir hunters has gladdened the entrepreneurial hearts of many more than just the legal traders such as Mr Richardson, who has a pitch licensed by Westminster council. As soon as the sun brings out the tourists, "illegals" set up their stalls in prime London positions, without the benefit of a licence.

Earlier this year, Mr William Davis, chairman of the British Tourist Authority, claimed that dishonest street traders contributed to keeping tourists away from Britain.

The London Tourist Board, however, says it does not receive many complaints. It is more concerned about hotels and restaurants overcharging tourists than the illegal practices of traders who, it points out, tourists are free to ignore.

Yet that does not stop Westminster council working hard to keep up with the illegals. Mr David Chambers, the council's head of licensing, said he signed between 50 and 60 prosecutions a week for illegal trading. "Street trading is a very popular part of the London scene," Mr Chambers said. "But because we can't meet the demand for the popular areas we do get a lot of illegal traders."

The City of Westminster has 1,400 pitches for street traders, covering Westminster's markets – Berwick Street, Church Street and Strutton Ground – and about 300 further pitches. Oxford Street, for example, has some 20 licensed pitches. Mr Chambers said he would expect to find three or four illegals in addition to the licensed traders every day.

"The illegals vary according to what the weather is doing," he said. In the summer, ice-cream and hot-dog stalls are the most popular. However, the more mobile the illegals, the more trouble they cause. A "spiv" selling fake French perfume from a suitcase can disappear as soon as he sees police approaching.

Meanwhile, the waiting list for licensed isolated pitches is long. On the rare occasions when a pitch becomes available it is sometimes because the previous holder has had his licence revoked. Mr Chambers described one such case. The stallholder was selling goods he was not allowed to sell, and failing to display his licence plate. To top it all, his assistants were rude to the inspectorate.

Dr Madsen Pirie, president of the Adam Smith Institute, the rightwing think-tank, believes licensing in this country is "vastly overdone".

He said: "I think the licensing system is probably too complex and ought to be simplified. Most of the traders are honest businessmen providing a service to the public."

Yet they remain frustrated. Mr Chambers says fewer than 30 new licences for isolated pitches are issued every year as most pitches are passed down through families.

The Whitehall pitch was first used by Mr Richardson's grandmother 70 years ago. "My nan was an old-fashioned flower seller," he said. "She used to sell carnations for gentlemen's buttonholes. Then when she died my grandfather, who was in the fruit business, took over."

His grandfather originally worked in the old Covent Garden wholesale fruit market, where Mr Richardson himself remembers working. But about 35 years ago, the family moved into the "souvenir game".

Further up Whitehall on the other side of Horse Guards Parade is Mr Alexander Bussey, "licensed street trader and citizen of London", as the sign above his stall boasts.

Like Mr Richardson's grandfather, his family was originally in the fruit business. "The family used to sell fruit and veg in Old Compton Street when it was a proper market." Then, says Mr Bussey, they abandoned fruit and moved into souvenirs.

Many of the traders can trace their roots back to London's wholesale fruit markets. Not all moved across the river to the new Covent Garden site at Nine Elms. Nowadays, Eliza Doolittle would probably be selling plastic police helmets.

Lydia van der Meer

Trading places: John Richardson works the pitch originally used by his grandmother, an old-fashioned flower seller

# Scottish bank puts charge on credit card

ROYAL BANK of Scotland yesterday introduced a £10 annual charge for its credit cards with effect from January 20 1992, **David Barchard** writes.

The move means that five out of the six largest UK banks now charge for their credit cards. Earlier this week National Westminster introduced a £12 annual credit card fee on its cards.

However, customers who regularly run up large bills and do not pay them in full will have the charge waived. RBS says it will waive the charge for those who paid an average of £5 a month in interest during the previous year.

*Monthly interest* charges will fall from 2.0 per cent, equivalent to 26.8 per cent annual percentage rate (APR) to 1.9 per cent (26.61 per cent APR), including the fee.

## Support for leftwing MPs

SUPPORT FOR Mr Terry Fields and Mr Dave Nellist, the two Labour MPs who may face suspension from the party over alleged membership of Militant, is expressed in amendments published yesterday in the agenda for the annual Labour party conference to be held in Brighton in a month's time.

Party officials dismissed the amendments as a futile gesture by a marginalised hard-left element in the party.

Mr Fields and Mr Nellist have appealed to conference to condemn the leadership for undermining party unity in the run-up to a general election. If suspended, they would not be able to stand as Labour candidates.

## Tesco wins planning fight

THE HIGH Court overturned a decision by Mr Michael Heseltine, the environment secretary, to block an application by Tesco, the supermarket group, to build a 6,085 sq metre superstore on green belt land at Feltham, near Heathrow airport London.

Mr Heseltine ruled last October, against the recommendations of a public-inquiry inspector, that a superstore would be an inappropriate use of green-belt land.

Against that, Mr Justice Auld pointed out that in 1988 Hounslow borough council had granted outline permission for buildings for business use on an area of land including the Tesco site. Tesco was awarded costs.

## Company fined over death

A CHEMICAL company was fined more than £20,000 after a worker collapsed in a fume-filled tank and died later in hospital.Mr Gary Collins was found unconscious after being told to "dry out" a tank at the premises of Performance Chemicals last June. An inquest returned a verdict of accidental death.

The company admitted breaching the Health and Safety at Work Act and failing to comply with regulations governing the control of substances hazardous to health. It was was ordered to pay £1,779 prosecution costs.

## Dry August

THIS month has been the driest August in much of Britain since 1976. For the third successive year, temperatures were generally above average.



# Tories face by-election test

By Ivor Owen, Parliamentary Correspondent

THE government faces a difficult by-election test in a marginal Scottish constituency as the result of the death yesterday of Mr Alick Buchanan-Smith, Conservative MP for Kincardine and Deeside.

His personal vote was a decisive factor in enabling him to secure a 2,063 majority in the 1987 general election (more than 5,700 down on what he achieved in 1983), when 11 other Scottish Conservative MPs lost their seats.

Mr Buchanan-Smith first became an MP in October 1964, when he won North Angus and Mearns, substantially the same constituency as Kincardine and Deeside, which he had represented since the 1983 boundary changes.

The departure of Mrs Margaret Thatcher from 10 Downing Street reduced some of the hostility displayed by Scottish voters against the Conservative Party, which saw its Scottish contingent at Westminster reduced to 10 in 1987.

A further, if minor, fillip was provided yesterday by a Glasgow Herald/System Three opinion poll, in which the Conservatives recovered a little of the ground they lost to Labour and the Scottish National party.

The figures (previous in brackets) were: Labour 45 per cent (46), Conservatives 25 (24), SNP 19 (20), Liberal Democrats 8 (8), Greens 2 (2), Others 1 (zero).

Scottish Tories are making much of the fact that the poll shows theirs to be the only main party with an improved rating. They had planned to launch their biggest autumn campaign since the 1970s.

Mr Buchanan-Smith's closest challenger in 1987 was the Liberal Alliance candidate, Mr Nicol Stephen, who polled 17,375 votes. Labour polled 7,624, the SNP 3,082 and the Greens 299.

Mr John Major, the Prime Minister, yesterday described Mr Buchanan-Smith as "a man of great integrity and courage, coupled with enormous charm". Mr Neil Kinnock, the Labour leader, said: "This news has caused both shock and deep sadness. Alick was recognised as a courteous and honourable man."

OBITUARY

# Alick Buchanan-Smith: widely respected MP

A PRINCIPLED stand in favour of Scottish devolution denied Mr Alick Buchanan-Smith the senior ministerial rank he merited.

Mr Buchanan-Smith, who died yesterday aged 59 after a courageous battle against cancer, was born at Currie, Midlothian, and educated at Cambridge and Edinburgh Universities. He contested West Fife in the 1959 general election, before becoming the MP in 1964 for North Angus and Mearns, an area south of Aberdeen. After the 1983 boundary changes, he represented Kincardine and Deeside.

His belief that more effective government for Scotland could be secured by curbing the centralisation of power brought him into conflict with Mrs Margaret Thatcher. He resigned from her shadow cabinet in 1977 when, as the Labour government struggled to hold on to office, the Conservative party reversed its earlier moves towards supporting the introduction of a directly elected Scottish assembly.

Scottish devolution was no longer a live issue when the Conservatives returned to power in 1979 and he seemed an obvious choice for a senior post. However, he had to be content with the middle-ranking office of minister of state for agriculture, fisheries and food.

From 1983 to 1987 Mr Buchanan-Smith served in the same rank at the Energy Department, where he quickly showed that he had an equal grasp of the issues affecting the North Sea oil industry as of the fishing industry's needs.

After the Tory election victory in 1987, he declined the post of Scottish Office minister of state and returned to the back benches.

Principled stand on Scottish devolution

Mr Buchanan-Smith was ahead of most of his colleagues on the government benches in recognising the need to provide Thatcherism with a more "human face".

He was a widely respected figure at Westminster and MPs of all parties paid tribute to him yesterday.

He is survived by his wife and four children.

# Lloyd's fears loss of 5,000 Names

By Richard Lapper

LLOYD'S OF London has been confronted this week by a late flurry of resignations in the run-up to today's deadline for Names to notify any intention to leave the market for 1992.

As many as 5,000 Names – the wealthy individuals whose capital backs underwriting on the market – are expected to leave Lloyd's this year, reducing the total of Names at Lloyd's to just over 21,000, according to members' agents, the businesses that handle the affairs of Names.

Earlier this month many members' agents were optimistic that the total exodus of Names from the Lloyd's market could be contained to between 3,000 and 3,500.

The chief executive of one members' agent said: "A significant number of people are deciding to pack it in."

Another added: "There has been a late surge of people resigning over the last week."

One members' agent said he believed that although resignations to date might be no more than 3,000, many more Names might fail to meet solvency tests in October – when their capacity to meet liabilities that have emerged in the 1989 and 1990 years will be judged by Lloyd's.

Four members' agents – all of which are among the top ten agents at Lloyd's – said they had lost about 10 per cent of their Names. The reduction is understood to have been much sharper at smaller members' agents, many of which might disappear.

With many wealthier Names increasing their commitments to Lloyd's, the decline in capacity – which governs how much insurance Lloyd's can write – is expected to be about 10 per cent, reducing capacity from £11.4bn to between £10bn and £10.5bn.

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# Forecasters flying blind

WHO ARE we to believe about the putative recovery in the UK economy? The Bank of England argues that we are "bumping along the bottom". A report from the Organisation for Economic Co-operation and Development expects recovery to be hesitant and relatively weak. The Treasury is at the optimistic end of the spectrum, convinced that recovery is nigh and cheerfully forecasting growth of 2 per cent in the year to the first half of 1992. As for the National Institute of Economic and Social Research, its latest quarterly review combines a downbeat view of the recovery – "slow and hesitant" – with a classic hedging of bets. "A rapid recovery next year is quite possible," it boldly declares, "but so is a year of no growth at all".

If the National Institute is impaled on the fence, its past record gives it good reason to be so. Few of the other august forecasting bodies have much more to be proud of, least of all the Treasury, whose officials failed to forecast the strength of the Lawson boom and were equally surprised by the severity of the recession. The record has never been good. But the experience over the past economic cycle seems to have been even worse than usual.

Nor are the forecasting errors confined to macro-economics. In the private sector the insurance companies which chose to provide banks and building societies with residential mortgage guarantees made serious misjudgments about house prices, real interest rates and mortgage repossessions. Hence the huge underwriting losses recently declared by Eagle Star. The banks, in their lending policies, also reflected notably over-optimistic assumptions about the durability of the 1980s boom.

## Structural upheaval

Part of the trouble lies in the methodology of forecasting. The great army of econometricians at the Treasury consists of people who are, by the nature of their discipline, obliged to make sense of the present and future in terms of numbers derived from the immediate past. This is clearly a nonsense when the real economy is subject to huge structural upheavals, as in the 1980s. So officials and politicians then bring an element of judgment to bear on misdirected science. Yet there is a widespread suspicion that they are intent on producing figures that reflect less badly on their previous efforts and cast a rosy light on the future.

Actuaries in insurance companies are prone to a similar disease. They look to the incidence of past claims as a guide to the cost of doing any given type of business in future. This works well enough with life assurance, where mortality tables have proved remarkably reliable. But in non-life insurance it is another matter; and both managers and technicians have tended to overlook the same important changes in the economy that the macro-economic forecasters overlooked, most notably the deregulation of the financial system.

## Rapid shift

The 1980s boom was unique in the speed and size of the increase in indebtedness in the personal and corporate sectors of the economy and the run-down in household savings. The severity of the recession is in part a reflection of the equally rapid shift in the personal sector's financial balance from deficit back into surplus as private individuals respond to the monetary squeeze by reducing consumption and increasing savings. Yet levels of debt remain at unprecedented levels; and a decline in interest rates to a level that would almost certainly have sparked a noticeable recovery in earlier economic cycles has failed to provide the requisite stimulus. Small wonder that the forecasters are having difficulty predicting turning points.

A cynic might argue that forecasts are best dispensed with. Yet the Treasury has an obligation under the 1975 Industry Act to do the job. And to abandon the task would be tantamount to admitting that the Treasury does not understand the workings of the economy and has little rational basis for policy. The opportunity to influence expectations would also be thrown away.

There is a powerful case for introducing more discipline into the forecasting process by opening it to greater outside scrutiny and making it independent of the Treasury and more inclusive of a business view. It is no coincidence that the Confederation of British Industry is often nearer the mark than the Treasury.

But the pace of change on the supply side of the economy is becoming a near-permanent hazard for forecasters, regardless of methodology. And it is tempting to bet on structural changes in the labour market catching forecasters on the wrong foot in the 1990s in the much the same way that the credit markets upset them in the 1980s. An independent forecasting body would struggle with the same difficulties, but at least it would rid us of the scourge of the single, official, unreliable forecast to which too much importance is attached.

# After a long sleep, Russia awakes

The largest Soviet republic has seized the chance to extend its power and influence over its neighbours, writes **John Lloyd**

A tremor of fear still runs through the Soviet Union. Not, any longer, fear of a coup, or of a re-imposed tyranny of the Communist party or a military-secret police clique. Those who would act under these banners are considered by most to have shot their bolt. The fear is of a resurgent Russia, speaking not in the name of communism, but in its own.

The tremor started with the bland announcement from Mr Boris Yeltsin's office on Monday evening that the Russian authorities would feel free to open the issue of common borders between the Russian Federation and any republic which did not sign the union treaty. By then, the two other Slav republics – Ukraine and Belorussia – had declared independence, and others were doing likewise: the three Baltic republics, Armenia, Georgia, Azerbaijan and Moldova (formerly Moldavia). In addition, Tadjikistan appeared to claim independence, and Kazakhstan had warned that it might do so.

The announcement had one effect which was presumably desired. Those republics specifically mentioned by Mr Yeltsin through the medium of Mr Pavel Voshchanov, his press secretary – Ukraine and Kazakhstan, with very large populations of recent Russian immigrants – scurried to arrange meetings with the Russian authorities.

They instantly gathered that it was to Russia they must speak, rather than to the union; that it is now Russia which decides which questions will or will not be re-opened. The nationalisms of the peripheral states – in the Baltics and in the Transcaucasus, on the western borders and even, now, stirring in the Moslem south – which over the past three years have filled the vacuum left by communism, have encountered the master nation once again. From now on, the nationalist governments and movements no longer have a weakening centre (whose reactionaries could not even manage a decent coup) with which to reckon, but a Russia now stretching and flexing its muscles, as if after a long sleep.

**The Russian colonisers are now revealed much more starkly as Russians in a foreign land – like Turkish guest workers in Germany**

For the past three years, the Russian liberals and democrats, who cleaved (and still cleave) to the union as a space within which democracy for all should be developed, gradually gathered that they could no longer make common cause with the Baltic, Georgian, Moldovan and other nationalists – just as earlier generations of British and French liberals and socialists had to give up their dreams of liberalising or socialising the British or French empires from the centre.

Now they have fallen back on Russia: using it as the fulcrum of their reform; drawing on the great moral capital which the Russian parliament's defiance of the coup has brought it. On Thursday, the group Communists for Democracy led by Mr Alexander Rutskoi, the Russian vice-president, announced a change of name to... The Party of Free Russia. The social democrats, liberals, Christian democrats and above all the monarchists are Russians before they are anything else. Only the extraordinary Mr Vladimir Zhirinovsky, the leader of the Liberal Democratic Party (neither liberal nor democratic) proposes, frankly, a reassertion of the imperial mission. He found some resonance for that when he stood against Mr Yeltsin for the Russian presidency, but has been damaged by his enthusiastic support for the coup.

Yet the imperial echoes do not fade with him; on the contrary, they are now being amplified by politicians from the democratic mainstream. It was Mr Anatoly Sobchak, the mayor of Leningrad, who first drew the public's attention to the Russian claim on Crimea – settled by Russians in the 1780s – saying that Nikita Krushchev's "gift" of the area to Ukraine in 1954 should no longer be tolerated.

The hard fact now facing the Soviet peoples is that Russia remains dominant, both because of its economic power and because of the results of its relentless and restless imperialism over centuries – an imperialism which continued throughout the Soviet period and which has produced very large Russian communities everywhere in the country.

The economic power stems from its ownership of most of the natural resources worth selling: oil, gas, timber, coal. The only other substantial deposit of oil, at Tengiz, is in the northern part of Kazakhstan extensively settled by Russians (though now claimed, of course, by the Kazakh government).

Only Ukraine, a large grain grower, has a commodity which can be traded in large quantities – though its low crop yields, coupled with the progressive decay of the infrastructure and distribution system, mean that it may not have an exportable surplus. Even the advanced republics, such as the Baltics, make low-quality goods by world standards and thus will continue to need markets accustomed to low quality; while the poorer states, like many of the central Asian republics, are dependent on a cotton monoculture which would be wholly dependent on the vagaries of world demand, has no extensive export networks independent of the central authorities, and is of generally low quality.

These republics thus need Russia, as at least some of their leaders know only too well. They also need an economic agreement which would tie Russia to their markets, within which they hope that its energy resources would continue to be available at prices far below the world market levels. Already, the leaders of two Central Asian states – Kazakhstan and Kirgizia – have begun working with Russia to develop such a treaty and have it "open for signing" by others. Mr Leonid Kravchuk, the Ukrainian president, was careful to stress after his meeting with Mr Rutskoi on Thursday that his state's independence declaration did not mean that he had no interest in joining in the common economic space to which all are now condemned if they are not to fall into something worse – common disintegration.

Beyond this common perception of mutual dependence is the open question of political union. The fragile and ambiguous agreements of the union treaty – one of the few victims of the coup – for common defence, foreign and macroeconomic and financial policies appear to be no longer viable, though we must wait to see what the union-level economic committee under Mr Ivan Silayev, the Russian prime minister, can produce in the way of convincing reasons for the republics to devolve some of their powers to a renewed union.

On the question of a union treaty much else hangs. As Mr Eduard Shevardnadze said when he appeared to refuse the job of foreign minister earlier this week, nothing is yet clear about what powers a union minister will be able to exercise. Mr Victor Gerashchenko made the same point when reinstated as chairman of the State Bank (Gosbank), after three days of enforced holiday, on Thursday: he cannot know if his job is worth doing until a union treaty is produced. The only certainty is this: that it will reflect, overtly or covertly, the dominance and the interests of Russia.

The other and more sensitive issue is the fact of the Russian diaspora. The Soviet historian VO Klyuchevsky wrote in the 1930s that "the history of Russia is of a country which colonises itself". He meant that the Russians pushed out, further and further, the borders of the Russian empire in order to find more land, more resources with which to support a population which in the 18th and 19th centuries grew more rapidly than any other in Europe – and whose poor soil, short growing season and low-productivity serf labour dictated the need for ever greater acquisitions.

Professor Richard Pipes, the historian of the "old regime", has stressed this point, and pointed out that this migratory instinct continued with the trek westward in the 1920s and 1930s of 4m Russians, mainly to Kazakhstan; and after the war, the colonisation of those parts of Ukraine, Moldova and Belorussia vacated by Germans, Poles and Jews, as well as of the Baltics.

"This [post-war] colonisation," he remarked, "in contrast with those of the past, is heavily urban. It is occasionally accompanied by mass expulsions and deportations of indigenous peoples because of 'nationalism'."

The Russian colonisers usually have continued to speak Russian not just as their first, but as their only language; they have Russian schools, which were until recently tending to crowd out native language schools, in some cases to the point of near extinction. They have been Soviet citizens, formally equal with the Soviet citizens of the "host" nationality among whom they have lived. Now, with the collapse of Soviet power, they are revealed much more starkly as Russians in a foreign land – like Turkish guest workers in Germany, a parallel with some force, since, especially in the Baltic states, the Russians usually make up an urban, industrial working class and are often looked down on by Balts on class, as well as ethnic, grounds.

As the nationalisms of the peripheral republics grow more raucous, and as demands for reparations, even revenge, against the (now illegal) Communist party and the union structures become more uninhibited – so the Russians living away from the motherland can expect more and more to experience friction with peoples who can have little liking for their presence. All kinds of calculations will go into this enmity: not least will be living space in republics (all) where overcrowding is endemic. The new politicians, dependent on the people rather than the party for voters, will seek to find something to give to their electors during the savage squeeze on incomes which will continue and worsen: empty flats will be a valuable political commodity.

These new nationalisms will become increasingly raucous: they have a lot of lost ground to make up. They cannot help but alienate, alarm and make hostile people who regard themselves as Russians, but as settled and productive in another republic. The Russians fought to extend their frontiers and fought to guard them: will they now peacefully pull back?

It is precisely this question which looms above Mr Yeltsin as he stretches himself to find the limits of his power. His first, crudely effective gambit put the matter openly on the table: it cannot now be taken off, for all the soothing which there has since been. Mr Zhirinovsky may be now down and his half-fascist rhetoric about the need for a renewed subjection of the surrounding peoples attracted scorn from many beyond the ranks of the liberal intelligentsia – but he also got approval during the June presidential elections as being "for the Russians" and has been barnstorming the country ever since to enthusiastic audiences.

Russia's new leaders have the lustre they do because they fought, successfully, to save the base on which democracy could be built. They fought on the grounds of constitutionality and liberty, against men who, though deeply unconvincing as tyrants, nevertheless would have turned the democratic clock back as far as they could.

Their political task now is to marry these ideals with the pressures and demands of Russian nationalism, and to contain and treat with the competing nationalisms of the contiguous and so-long subject nations. And this at a time when the political need for populism and chauvinism, to distract the citizens from economic misery, is at its highest.

*MAN IN THE NEWS*

**Boris Yeltsin**

# Coup hero tries to erase the question mark

**By John Lloyd**

The question mark which, in the minds of western and Russian liberals, hung over the head of Russian President Boris Yeltsin was removed only briefly. His behaviour during the coup was swift, bold and effective. He at once became the centre of resistance, and on the night of August 20, when there was a real danger of attack on the White House, the Russian parliament, he prepared to fight to the end.

That lustre cannot easily fade. But the question about his political style once he was granted real powers, and his commitment to democratic means in exercising them, reappeared again early this week when he threatened those republics which would not join his version of a new union with border disputes, backed by Russian might. That is the core of the concern, but it does not complete it.

Mr Yeltsin is entitled to complain that the question mark is unfair. He left the Communist party last summer when it was still unclear that he would benefit by doing so. As president of Russia, he chose as his advisers people who were of a democratic, liberal bent, many of whom had been disappointed with their position in Mr Mikhail Gorbachev's circle. In Mr Gorbachev's period of "reaction" – from October 1990 to April 1991 – Mr Yeltsin was a solid opponent, warning of the danger of the men with whom the Soviet president was allied. Since these men were figures like Mr Vladimir Kryuchkov, the then KGB chief, Mr Valentin Pavlov, who was prime minister, and the late Mr Boris Pugo, interior minister at the time, it is hard to resist the view he was right.

Yet it was Mr Gorbachev (who did not leave the party until it left him earlier this week and who has not said a word of regret for the organisation into which he was born and which made him in public) who chose and then allied himself to reactionaries, even if nerveless ones. It was he who could never bring himself to back radical economic reform and who tolerated the oppressive rule of his party in countless towns, cities and districts throughout the Soviet Union.

He gained and kept the trust of the west and never quite lost it. But it is Mr Yeltsin, who has hardly sullied his democratic record since leaving the party and becoming Russia's president, who has never quite acquired it.

The difference may lie in the fact that Mr Gorbachev achieved his great reputation in the west by giving so much of the grim Soviet legacy away: conventional and nuclear weapons; support for hostile (to the west) Third World regimes and Soviet possession of eastern Europe. Of course, he said his task was to reform and re-energise the communist system, and that caused many in the west to hesitate and some to criticise those who did not stint in their praise. But it became clear that even if he meant it, as he certainly did at first, he could not achieve it – so it became a generally-tolerated eccentricity.

Mr Yeltsin, however, was not giving away power but reaching for it. That he did so like any western politician – by encouraging people to support him, rather than by telling them that they supported the party – seemed, paradoxically, to have roused the alarm in many western breasts that he is a populist. In this he was implicitly compared to Mr Gorbachev, who was neither populist nor, recently, popular.

Now Mr Yeltsin has the power. He took it on the barricades round the White House, in the two fevered and nervous nights inside it surrounded by armed bodyguards and in the hall of the Russian parliament last Friday when, with the subtlety of a rhinoceros, he prodded Mr Gorbachev into submitting to his every wish.

Even before that, he was constructing his base. Before the coup he set forth a governing structure for Russia in which all power flowed to him, where a committee of state, a security committee, regional governors and the Russian government all reported to him at once. This is a structure which claims so much control over so much of Russian life that there was clearly little ground on which Soviet power could stand, and that which there was, was contested.

In the columns of comment on the coup in the now really free Soviet press much space was devoted to the theory that Mr Gorbachev engineered his own removal from power in order to boost his popularity, or to cut down his reactionary enemies, or both. Yet if the outcome suggests prior conspiracy, then the chief culprit must be Mr Yeltsin, for the coup has been the single most decisive event in propelling him to a position of real, as against potential power he could have hoped for.

This theory (which is ultimately incredible) could also feed on the fact that Mr Yeltsin did not just resist the coup, but worked steadily throughout it to underpin his base by presidential decrees which he got an admiring parliament to pass as soon as it met. These decrees took all Soviet property and resources in Russian territory into Russian hands. They took all Communist party property, at home and abroad, into Russian hands. They gave him control of the armed forces, and of the banks and currency and state valuables. He became, in that time, the owner of most things of value in the Soviet Union.

Now, faced with a new situation, he can decide what to retain and what to share. He has recognised that the military forces, including the nuclear forces, must be under some form of central control – though Mr Alexander Rutskoi, his vice-president and a (just promoted) air force general, has said that Russia will have joint control of the nuclear weaponry. Mr Silayev, the Russian prime minister who functions as a caretaker Soviet premier, subordinated the Soviet State Bank, the foreign banks and the finance ministry to their Russian equivalents. He has partly restored some of their independence under western financial pressure, while appearing to retain overall Russian dominance. The point is that Mr Yeltsin is still in charge. If he needs a union and a union treaty, as he says he does, he will have it. If not, there is no Soviet interest powerful enough to insist on it.

Now is the test of that question mark. Is it composed merely of liberal qualms about a politician, rough in manner (though recently much smoothed down), quick to take offence and to offend, but now fully committed to democracy even if he must necessarily pursue it in a hectic political environment and collapsing economy with personal force and a strong state? Or is the brilliant opportunism he displayed during the coup the preparation for a new authoritarianism which is a goal rather than a temporary expedient? The latter now seems the less likely, but there is very hard pounding ahead for a new democrat.

Most UK researchers are pessimistic, writes **Clive Cookson**

# Science fact or fiction

*"Funding for molecular genetics research into human disease is probably easier to obtain in Britain today than anywhere else in the world at any time in history."*

*"The funding and administration of the physical sciences in Britain has never been more awful. We have never been more demoralised."*

Those two views expressed at this week's annual meeting of the British Association for the Advancement of Science – the first from a leading genetics researcher and the second from a nuclear physicist – illustrate the diversity of mood and opinion among scientists in Britain.

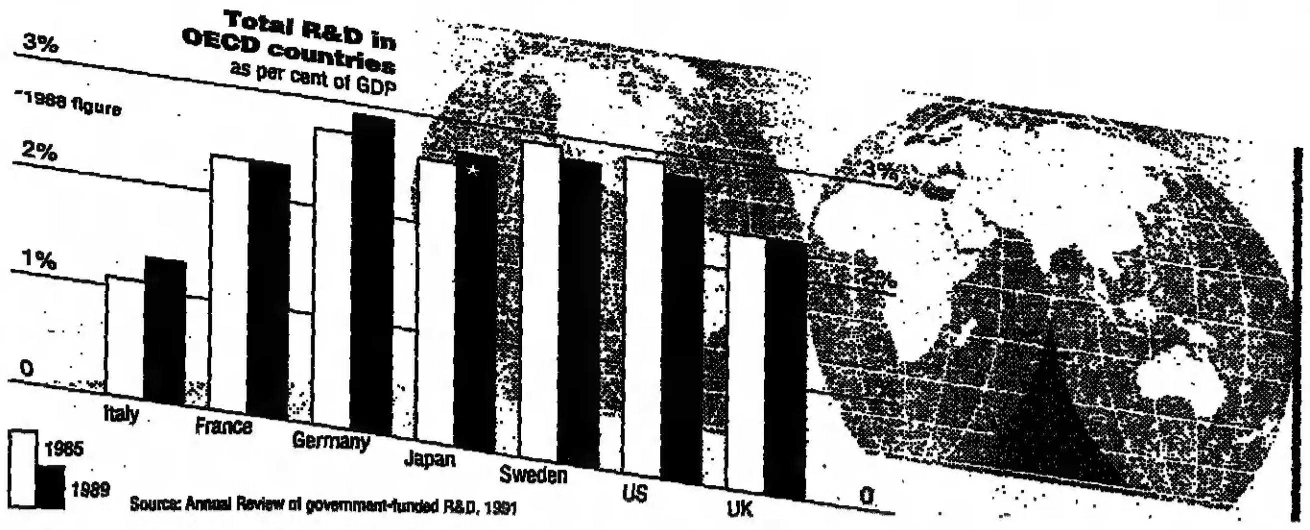
It is clear, however, from dozens of conversations at the Science 91 conference, the year's largest gathering of British scientists, that pessimism about the general state of science in the UK considerably outweighs optimism. Individuals are excited about prospects for their own research, but most say they waste time and energy extracting inadequate research grants from an inefficient funding system.

For example, Professor Colin Suckling of Strathclyde University says that UK research into catalytic antibodies – a recent discovery with immense industrial potential for speeding up biochemical reactions – was held up between 1988 and 1990 while two government departments, seven universities and nine industrial sponsors wrangled over the terms of an antibody project under the government's Link programme. An £800,000 project was eventually approved but, during that two-year delay, scientists in other countries were moving ahead rapidly with competing research.

Scientists seeking funding on a smaller scale for individual research projects complain too about the increasing time they have to spend out of the laboratory, writing and re-writing applications for short-term grants.

"There has been such a dramatic deterioration in the infrastructure of the universities that it is no longer possible to do any research without a special grant. The technicians and laboratory equipment are no longer there," says Professor Lewis Wolpert, a developmental biologist at the Middlesex and University College medical school, London.

"You can imagine how demoralising it is to put in a grant application which is alpha-rated by the research council and then be turned out through lack of funds," he says. To increase his chances of success, he submits two grant applications for the same project – one to the state-funded Medical Research Council (MRC) and another to a medical charity. "Grantsmanship" of this sort wastes the time of the research enterprise as a whole, but scientists feel they must do what they can to protect their own projects.




Yet biomedical researchers such as Prof Wolpert are in a privileged position compared to their counterparts in the physical sciences, for whom there is often only one possible source of funds: the Science and Engineering Research Council (SERC). Indeed it is noticeable that the few scientists who speak cheerfully about UK research funding, such as Professor Bob Williamson of St Mary's Hospital, London, and Dr Terence Kealey of Addenbrooke's Hospital, Cambridge, work in the biomedical field.

The main reason why conditions are somewhat healthier for biomedical science than for other fields is that the medical charities are increasing their research funding rapidly. This year their combined spending will match the £220m spent by the MRC.

Most of the new money is coming from the Wellcome Trust – owner of 74.5 per cent of the pharmaceutical company, Wellcome plc, and the world's wealthiest charitable foundation, but still remarkably little known outside scientific circles. Although the trust's spending has risen from £15m in 1981-82 to more £100m in 1991-92, the demand for its grants has increased even faster, as a result of the squeeze on MRC funds. So the proportion of good applications funded by Wellcome is falling.

Dr Peter Williams retires this month after 26 years as director of the Wellcome Trust, feeling depressed about the academic world's "relentless pursuit of grants". The trust's statistics show that, on average, senior researchers devote fewer than 10 hours per week to their projects. "The present system under which the work is done by people who are on short-term support from numerous sources is not a satisfactory basis for medical research."

His successor as director of the Wellcome Trust, Dr Bridget Ogilvy, is more outspoken. "The government doesn't recognise that research is a creative process," she says. "It treats research like putting beans into a can."

Researchers in the physical sciences depend on a SERC budget that has not only to pay for domestic research but also to meet the rising costs of Britain's contributions to CERN (the European nuclear physics centre in Geneva) and ESA (the European Space Agency). One result of the squeeze was SERC's decision this year to close the Nuclear Structure Facility at Daresbury, Cheshire, in 1992-3 – a decision that has provoked an international outcry among nuclear physicists.

Professor John Sharpey-Schafer of Liverpool University this week appealed to the prime minister to intervene. "Soon we will achieve the scientific status of Poland – lots of talent but economically second rate. In some fields, major areas of research are not addressed in the UK."

"This year has been particularly bad for SERC," says Professor Martin Rees, director of the Institute of Astronomy at Cambridge. He says the UK government should follow its continental counterparts and remove the expensive burden of CERN and space research from the basic science budget.

Talk about declining government support for research provokes a stream of statistics from ministers. Mr Alan Howarth, who is resonsible for science in the Department of Education and Science, told the BA meeting: "The science budget of the DES has increased by 23 per cent in real terms since 1979. The growth in the science budget has matched the growth of UK gross domestic product."

There seem to be three reasons why most scientists feel that their funding has been cut hard. The "sophistication factor" pushes up their costs faster than general inflation. The deterioration of university facilities means that their research grants have to provide more basic infrastructure. And the grants are going increasingly to applied research rather than to pure science.

With the Labour party promising a substantial increase in science spending – from 1.8 to 2.5 per cent of GDP – and a thorough reorganisation of research funding, and Mrs Thatcher being heard recently to call for an extra £500m for science, there is a chance that the election campaign will be the first since 1964 in which science is a real issue.

# End of ideology's golden age

**Philip Stephens** on a colder climate for the right-wing political think tanks

It is, as they say in the think tanks, a perplexing old world.

The week began with an unseemly public dispute over whether the Institute of Economic Affairs – a bastion of Thatcherite liberalism long before Mrs Margaret Thatcher – was now cuddling up too closely to Mr John Major's caring Conservatives.

By the end, the IEA had seen the director of one of its arch-rivals, the Adam Smith Institute, offered the prize of a place on the team of high-powered advisers which will help the prime minister put his Citizen's Charter into practice.

The third of the think tanks which vie for the intellectual leadership of the free-market right in Britain had evidently decided to keep a lower profile. At the Centre for Policy Studies (co-founder Mrs Thatcher) the telephonist politely informed inquirers that "everyone is on holiday".

In one respect the dispute at the IEA – a power struggle between Mr Graham Mather, the director-general, and its two founder-presidents, Mr Arthur Seldon and Lord Harris of High Cross – can be written off as a clash of personalities.

The two sides have been at odds since Mr Mather moved to the IEA from the Institute of Directors in 1987. Mr Seldon's decision this week to resign was the latest in a series of acrimonious skirmishes which included a failed putsch against the director-general earlier in the summer.

The Charities Commission is already investigating widely-publicised allegations from anonymous sources that Mr Mather has put political (pro-Tory) expediency before a commitment to the pursuit of abstract libertarian truths. The IEA's charitable status forbids allegiance to any political party.

Allies of Lord Harris and Mr Seldon have pointed to recent IEA papers on the Citizen's Charter and on Europe as evidence that Mr Mather has sacrificed independent intellectual rigour for the sake of invitations to 10 Downing Street.

For their part, Mr Mather's allies on the IEA's board of trustees cast his opponents in the role of ageing eccentrics unwilling to admit that Mrs Thatcher's revolution has come to an end – and with it their own influence in shaping events.

The two founder-presidents, who set up the IEA in 1957, are accused by Mr Mather's friends of being stuck in a timewarp which demands that "you need a funny moustache, a brightly-coloured waistcoat and a reputation as a rebel to run a think tank". Mr Mather, a 36-year-old lawyer less than half Mr Seldon's age, prefers pin-stripe suits.

But the clash is more than one of personalities or of pre- and post-war generations. It has become an important symbol also of the end of a golden era for the free-market think tanks.

For all their genuine ambitions to influence the wider intellectual climate rather than shape the day-to-day policies of government, organisations like the IEA prospered during the 1980s for one reason above all others: in Mrs Thatcher, they found a political leader who was willing to put their theories into practice.

In opposition during the 1970s she had established the CPS with the then Mr Keith Joseph as an alternative source of advice and ideas to the consensualism of the Tory establishment. As prime minister she saw the CPS, IEA and ASI as natural allies in her battles with the opponents of the Thatcher revolution in Whitehall and cabinet.

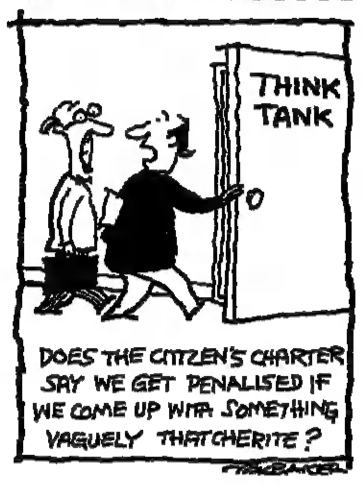
The radical prescriptions of the think tanks – on privatisation, social policy, public spending, taxation and education – became respectable in Downing Street. As Mrs Thatcher read, absorbed and annotated the flood of pamphlets which poured in, the rest of Whitehall had to take them seriously.

So if Lord Harris and Mr Seldon could cast themselves as rebels when they challenged the post-war settlement in the 1950s, with Mrs Thatcher they were swimming with, not against, the tide.

As Dr Madsen Pirie, the director of the ASI, comments with appropriately free-market imagery: "It was the decade in which the think tanks grew up ... when the government was ready to buy off the shelf in the supermarket of ideas". A less-than-Thatcherite minister puts it slightly differently: "She wanted permanent revolution. They offered it."

Mr Major has not cold-shouldered the think tanks. He has agreed to become a patron of the CPS and is said to be impressed by the work of its director, Mr David Willetts, on education policy. His appointment of Dr Pirie to the group advising him on the Citizen's Charter marks a recognition of its work on the practicalities of "empowering" the consumers of public services.

The think tanks can claim also to be part of a permanent legacy of the Thatcherite golden age. The establishment of the left-leaning Institute for Public Policy Research




and the revival of the Fabian Society suggest that politicians of all colours now recognise the value of alternative sources of ideas.

Despite its alleged links to Downing Street, the IEA insists that the tradition of promoting intellectual debate is still flourishing. It points, for example, to the recent publication of a tract on the principles of liberalism as a piece of academic work "20 years ahead of its time".

But the climate has changed. Mr Major is a prime minister interested in incremental rather than revolutionary change, one who prefers pragmatism to ideological blueprints.

Mrs Thatcher would read CPS or IEA tracts in bed. Her successor wants a two-page summary of a practical policy proposal, not a lengthy academic treatise. The think tanks' pamphlets are now filtered through the Downing Street policy unit rather than placed directly into the prime minister's red boxes. As one insider puts it: "It's not the end of history but it is the end of ideology".

Facing the most difficult general election for the Conservatives since 1979, Mr Major is less than tolerant of the determination of the old guard at the IEA to protect the eternal truths of Thatcherism. The role of Lord Harris in promoting the anti-federalist Bruges Group – a fierce opponent of Mr Major's more conciliatory stance towards Brussels – has hardly endeared him to the new regime.

Dr Pirie's supermarket of ideas may still be trading, but it is being forced to adapt to the market reality that its main customer has distinctly less exotic tastes than his predecessor.

Letters, see below

# LETTERS

## Sales survey

*From Mr R M Norton.*

Sir, The report by Peter Marsh (27 August) on the Retail Consortium's interesting plans to develop a weekly measure of sales implies criticism of the Central Statistical Office's monthly index of retail sales which is not justified.

Your report said that the consortium's survey would cover a broader cross-section of retailers than the CSO's inquiry. The reverse is true. The consortium will approach about 50 to 70 major retail groups. While those retailers cover a little over a half of retail trade, small and medium-size firms are also important. The CSO inquiry includes about 3,500 retailers of all types and sizes and the monthly index is representative of the experience of the whole retail trade.

You also said that the consortium would collect data on the volume of sales, that is after allowing for the effect of price changes, rather than their value in current prices and so would provide better quality information.

Again, this is not true. The consortium will follow the same practice as the CSO and collect information on the value of sales. An approach seeking information directly on the volume of sales is unlikely to be practicable and would give less reliable estimates.

R M Norton,
*deputy head of division,*
*Central Statistical Office,*
*Cardiff Road,*
*Newport, Gwent*

## Think tanks and economic policy in the UK

*From Mr Arthur Seldon.*

Sir, Alison Smith ('Storm blows up in a think-tank', August 28) correctly conveyed my views about the origins of the Institute of Economic Affairs (IEA) and the three central reasons why it worked by influencing the climate of opinion rather than by attempting to persuade government directly. This was the advice Hayek gave our founder, Sir Antony Fisher.

But the views she reported from Lord Vinson and Sir Alan Peacock do not clarify the anxieties – now followed by the resignation of some of its most distinguished advisers, with more to come if the anxieties are not soon removed.

Lord Vinson sadly attempts to minimise the anxieties. They run far deeper than "the tensions as the old order gave way to the new". Now that the differences on the purpose and *modus operandi* of the IEA are in the public domain, there is a better chance that they will be faced by its managing trustees and resolved.

The IEA will then be able to continue the work for which it was established – to investigate the neglected scope for the use of markets in the solution of economic problems, not least in the services provided inefficiently by government.

Lord Vinson's "new order" differs from "the old" mainly in its lack of expertise and practice in the arts of conducting this work, performed successfully, according to its critics, for 30 years before "the new order" came on the scene.

Sir Alan's defence of "the new order" is also disappointing. "One puts forward ideas professional economists, journalists and politicians will consider". That is self-evident; but it hardly meets the anxiety that the direct method of persuasion of politicians is not the task for which the IEA was founded.

If "the new order" wishes to conduct such a course it is free to establish its office and raise funds to support it. The funds, still existing, given to "the old order" were to pursue the methods of "the old order", not to "a new order" then not in existence.

Much good could now come by open discussion of these issues. Sir Alan says "the success of the Institute rested not just on the marketing and editorial skills of Lord Harris and Mr Seldon".

He seems to have changed his mind since 1987 when he offered an "ode to the IEA" at the Institute's 30th year celebration which shows a felicity with words that belies Thomas Carlyle's misdescription of "Professors of the Dismal Science":

"Fritz Hayek's fears
For post-war years
Met anger and derision.
Then Fisher backs
Two Cockney chaps
To save us from perdition.
And when those
politicians claim
That Ralph and Arthur
are to blame
For screwing up the
planners' game
What better recognition?"

Arthur Seldon,
*The Thatched Cottage,*
*Godden Green,*
*Nr Sevenoaks, Kent*

## Business schools' programme for the USSR

*From Mr Andrey Masiuk.*

Sir, Quentin Peel, in his article "Aid from the west" (August 24/25), suggests that the west can best help by "sending people" to the Soviet Union. Three of Europe's top business schools – IMD, Insead and the London Business School – have set up a programme that goes one step further and will train the trainers of management in the Soviet Union and central and eastern European countries essentially to help themselves.

There is a vacuum of management capacity in these countries and economic change cannot outpace the capacity of the workforce to adapt to new management models. Emphasis should be placed on training local managers to use local knowledge to assimilate western management methods into what will remain a changing, clumsy economic environment for a number of years to come.

An essential pillar of the European Community's response to this educational challenge should be the establishment of a specific know-how training fund. The fund would be most effective if it bases its financial support on the practical criterion that economic change is most effectively driven by capable local management than by brilliant foreign advisers.

Andrey Masiuk,
*manager, advanced management education programme for central, eastern Europe and USSR,*
*Lausanne,*
*Switzerland.*

**Fax service**

LETTERS may be faxed on 071-873 5938. They should be clearly typed and not hand-written. Please set fax machine for fine resolution.

## Christmas cheer

*From Mr John Dodwell*

Sir, Your editorial, "Holiday Work" (August 29) was to the point, but why leave Christmas out of it?

Christmas should be fixed to the last weekend in December for the convenience of traders and commerce generally, with Boxing Day the "Bank Holiday Monday" and New Year's Day following within two or three days, allowing everyone back to work within a week.

John Dodwell,
*Besford Bridge House,*
*Nr Pershore, Worcs.*

## Sterling's entry into ERM has 'fundamental implications' for UK pension funds

*From Mr Ken Spry.*

Sir, As an international fund manager, I found John Plender's lesson ("A lesson for fund managers", August 27) has left me little wiser.

He has identified a number of trends from the 1980s and extrapolated them, with varying degrees of confidence, into the 1990s. Thus for corporate profits, which have expanded their share of GNP during the last decade, "there must be at least a chance it [the ratio of corporate profits to GNP] will recover further in the 1990s". However, currencies prove more difficult for "the trend (of D-Mark and yen appreciation) is subject to interruptions and could anyway be terminated by structural changes in the underlying economies". Try offering that piece of analysis at a trustees' meeting.

There is very little evidence of a rising trend in the share of GNP represented by corporate profits in the UK. The early 1980s saw a trough as profit margins declined during the recession. Subsequently, there was a cyclical recovery, with a further decline in 1986. The present ratio is close to the average of the last 30 years.

Comparison with other economies is complicated by different accounting conventions but in the US at least, it is very hard to agree that the comparable statistic is anything like as high as in the UK.

"Nobody necessarily expects to extract higher returns by investing in higher-growth economies." Some careful wording, but in general higher growth rates have led to higher returns to stock market investors. The key, as always, is timing. Over the last 20 years, for example, the real return from Japanese equities has been over five times that of UK equities despite the declines recently seen in that market.

Also, it seems, as innocents abroad we are being "ripped off by intermediaries", leading to high turnover and underperformance. However, the 1990 W M Co survey says that "the average fund has outperformed the indices in continental Europe and Japan but underperformed slightly in the USA". This overall outperformance resulted from funds being underweight in Japan. By concentrating on stock selection, Mr Plender conveniently ignores the more important contribution to fund performance: asset allocation.

On the subject of risk, the W M Co survey again highlights the value of investment overseas. "The composite portfolio (including overseas equities) has consistently offered a lower variability of return than the UK equity portfolio over the more recent periods with the reduction being as much as 3 per cent to 4 per cent."

The most significant question now facing equity investors is the impact of sterling's entry into the ERM. This has implications for the future course of interest and inflation rates as well as the value of the pound. The speed with which the UK labour market responds to the discipline imposed by the ERM will directly impact the profitability of the corporate sector, with fundamental implications for the assets and liabilities of UK pension funds. It is remarkable that Mr Plender did not comment on this.

Ken Spry,
*head of international equities,*
*Royal Insurance Asset Management,*
*1 Cornhill, London EC3*

## UK COMPANY NEWS

### Funds of £1.3bn for investment management and banking group

# JTM and Tyndall in £35m merger

**By Jane Fuller**

AN INVESTMENT management and banking group with more than £1.3bn of funds is being created through the £35m merger of Jupiter Tarbutt Merlin Holdings and Tyndall Holdings.

JTM's offer of 37.5 new shares plus 25p cash values each Tyndall share at 63p, using JTM's closing price of 167p, up 3p. Tyndall's share price rose from 49p to 57p yesterday. The cash offer is 53.5p.

The merger – to create the Jupiter Tyndall Group – follows a big reorganisation at Tyndall after a catastrophic foray into Australia. It bought just over 60 per cent of Clayton Robard, an Australian fund management concern, for £118m a few months before the 1987 market crash.

This eventually led to the write-down and sale of the Australian subsidiary and a capital reconstruction to eliminate the deficit on its profit and loss account. In the 16 months to April 30, a pre-tax profit of £2.26m was made and debt was wiped out.

About 70 per cent of the emergent business lies in two banks, the larger one on the Isle of Man and the other in London.

It also has a fund management arm specialising in the Far East and a trust administration operation which Mr James Duffield, who will be chairman and chief executive of the combined group, said might not be kept.

He heads the JTM fund management business, which has grown rapidly since its foundation in 1985. In April 1989 it took over Merlin, which specialised in "green" (environmentally sound) investments.

JTM came to the main market in March by reversing into Vantage Securities. It will issue up to 20.3m shares to complete the merger, more than doubling its share capital. The holding of "directors, family and friends" will drop from 85 per cent to 45 per cent.

Mr Duffield said Tyndall's cash management skills would complement JTM's fund management business. He stressed that Tyndall's banks were low risk deposit takers, putting money into the UK's 25 leading institutions rather than making loans.

Because of fears that the Bank of England's closure of the Bank of Credit and Commerce International would cause withdrawals from small banks, he said JTM had watched closely for adverse effects. Retail deposits, the main part of the business, went up by £1m, while the low-margin wholesale side had suffered.

JTM made a profit before tax of £455,000 in the four months to June 30, and earnings per share were 2.69p. The interim dividend is 2p.

A pro forma forecast of the group's 1991 pre-tax profit is £5.6m, with a rise to nearly £7m next year.

# Capital refinancing at Ingersoll Publications

**By Michiyo Nakamoto**

MR RALPH Ingersoll, the controversial American owner of the Birmingham Post and Mail group, has reached preliminary agreement with several financial institutions on a recapitalisation of his publishing businesses.

The deal, which involves financing by Charterhouse Development Capital and equity underwritten by Charterhouse and Midland Montagu Ventures, comes just one year after Mr Ingersoll retreated from newspaper publishing in North American to concentrate on his businesses in the UK and Ireland.

The recapitalisation was announced in the wake of widespread speculation over the finances and future strategy of Ingersoll Publications, Mr Ingersoll's UK-Irish publishing vehicle.

Last year, Ingersoll Publications had annual revenues of $178m (£106m) and bank debt of $109m, according to Mr Ingersoll.

He had been looking at various options for the group, including the sale of the Birmingham Post and the Coventry Evening Telegraph, acquired in 1987 for over £60m, to raise a total of about £100m.

But "Mr Ingersoll has always wanted to attract additional equity into the group," said Mr James Plugh, chief executive. Agreement on a recapitalisation made it unlikely that the newspapers would be sold, Mr Plugh added. Precise details of the refinancing are not disclosed as the deal was still evolving.

Mr Ingersoll last year relinquished his stake in his US interests to partners, EM Warburg Pincus, a New York investment firm, in exchange for control over Ingersoll Publications, after the US group technically defaulted on some of its junk bonds.

# Banks and lawyers at hand in the struggle for survival

### Andrew Bolger on 'more cautious' Brent Walker

A GRAPHIC picture of the fight for financial survival going on within Brent Walker was offered yesterday by Mr Ken Scobie, chief executive of the debt-laden property and leisure group.

Mr Scobie was one of the new management team brought in by the banks who are supporting Brent Walker after they forced the group's founder, Mr George Walker, to step down as chief executive at the end of May.

Asked whether he was concerned that the new management team risked breaking the law by continuing to trade a company which is insolvent, Mr Scobie replied: "We take continuous advice from prominent lawyers on that point every week – indeed we spoke again to our lawyers, Freshfields, this morning."

Mr Scobie, who is also deputy chairman, is confident that the board is in the clear as long as it continues to enjoy the support of the group's banks and advisers for the strategy of carrying on running the profitable parts of the group – pubs and the William Hill betting chain – while making an orderly disposal of its other assets.

The desperate plight of the company is revealed by the revised results for 1990 which the company published yesterday. In May, Mr Walker said the group's net assets had dwindled by £890m to £139m by the end of last year.

Mr Nicholas Ward, who became managing director in April, said that after taking "a new, hard look" at the assumptions on which those figures were based, the company had now decided to make further write-downs totalling £195.1m – giving a negative net worth of £56.1m at the end of 1990.

The biggest write-down referred to the difference between the £352.5m value which certain properties were given by directors and their disposal value of £249m, according to a professional valuation carried out in March of this year.

Ken Scobie: taking continuous legal advice

Mr Ward said Mr Walker had persuaded the audit committee to show the higher figure in the balance sheet, but the new management team had now decided to take a "more cautious view."

A further £40m of the write-down was attributed to the freezing of the deal involving Walker Power, a joint venture between Brent Walker and the Dublin-based property group Power Corporation, which owns the Trocadero Centre in London.

Brent Walker agreed to swap its 50 per cent stake in the Trocadero and Blackpool's Tower shopping centre in exchange for Power's 50 per cent stake in the island site beside the Trocadero in April this year, and included it in the May results as a significant post-balance sheet event.

Now that the deal has been put on hold, Brent Walker has written down £15m of operating profit and £25m gain on asset value which it booked in May.

A further £30m write-down came from a reduced view of the value of two further group property investments, a 24 per cent stake in a Los Angeles hotel and a 43 per cent stake in a hotel in Tunis.

Mr Ward said the remaining £25m write-down came from a variety of smaller adjustments.

Although Brent Walker said yesterday that the interim profits for 1990 had been materially overstated, and were being investigated by the Serious Fraud Office, it insisted this had no effect on the restated full-year figures.

The restatement of the 1990 figures increased the pre-tax loss from £246.8m to £358.5m. Operating profits fell from £122.2m to £107.2m because of the reversal of the contribution from Walker Power.

Exceptional charges rose from £38.11m to £111.68m and extraordinary charges increased from £201.72m to £221.12m, mainly due to the property write-downs. The rest of the write-down was made against reserves.

One notable exceptional item was refinancing costs of £13.99m, associated with the refinancing carried out last November.

No provision has been made for the costs arising this year relating to the current efforts to refinance the group, but it is likely to dwarf last year's figure.

Last year's standstill agreement on debt repayments only aimed to provide a tourniquet to staunch the group's losses – and the banks have been working full-time on a permanent solution since then.

# First pay-out from B&C Merchant Bank

**By Richard Waters**

A first pay-out of $150m (£89m) to creditors of British & Commonwealth Merchant Bank will be made at the beginning of October, Ernst & Young, the bank's administrators, said yesterday.

The payment, representing 43p in the pound, follows the failure of the administrators' one-year seach to find a buyer for the bank and their subsequent decision to wind it down.

Ms Maggie Mills, one of the administrators, said that creditors would eventually receive all of their money back, plus interest, probably by the end of 1993. The bank's latest balance sheet, at the end of June, showed net assets of £36m, she said. The intial payment is the result of a voluntary arrangement between the administrators and creditors. Although BCMB already has the $150m to pay out, a period of 28 days has to pass before the arrangment can come into effect.

# Property side forces DC Cook to loss of £1.5m

**By Jane Fuller**

A PLUNGE in property profits to less than a tenth of the 1989-90 level left USM-quoted DC Cook Holdings with a pre-tax loss of £1.48m for the year to April 30. The directors responded by halving their salaries.

The property division, which mainly develops petrol stations for oil companies, made a trading profit of only £560,000, compared with £7.1m. Because of the Gulf war, no sales were made to oil companies in the second half.

After the poor performance, the three directors decided to cut their pay by an average of nearly 50 per cent. They also waived their entitlement to the maintained annual dividend of 1p, to save a further £179,000.

The lack of replacements so far for two directors who resigned in the past year will also save some money.

Cook's slide into the red at the pre-tax level followed a recovery to £2.13m in 1989-90 as it came to terms with the loss of several Nissan car dealerships.

Turnover fell from £191.5m to £122.7m.

Last year, the motor division, which had established new dealerships to replace Nissan, improved its trading profit to £2.08m (£390,000) despite the decline in the new car market.

Mr Charles Pettingell, finance director, said the number of dealerships had contracted from 36 in 1989 to 17, representing six manufacturers.

Discontinued businesses, including car rental, lost about £500,000 and an exceptional provision of £607,000 was made for losses arising from the collapse of a sub-contractor.

The group was driven into the red by £3m (£5.1m) of interest payments. Debt was reduced from £17.1m to £10.6m, giving gearing of just over 100 per cent.

After a tax credit, fully diluted earnings per share fell to 0.15p (5.41p).

# Falling demand cuts Macfarlane by 16% to £4m

**By James Buxton**

Macfarlane Group Clansman, the Glasgow-based packaging company chaired by Lord Macfarlane of Bearsden, who as Sir Norman Macfarlane was chairman of Guinness, has broken its run of regular increases in pre-tax profits.

For the six months to June 30 pre-tax profits fell by 16 per cent to £4.02m (£4.8m). Sales on continuing activities were down at £42.2m (£44.3m).

Packaging, the largest division in the group, experienced reduced demand throughout the UK with trading in the south particularly difficult. Nearly all companies in the division made lower profits.

However, the two companies in the plastic moulding division performed well, benefiting from substantial investment. Reorganisation of the development division will be completed by the year-end.

Earnings per share fell to 5.33p (6.21p). The interim dividend is lifted to 1.75p (1.702p).

# Do you look a gift horse in the mouth even if it's a pig in a poke?

### As companies rush headlong into rights issues, where does it leave the institutions, asks Norma Cohen

AS INSTITUTIONAL investors face the biggest onslaught of rights issues in years, a small dose of scepticism has crept into the market. That scepticism is forcing companies to offer larger discounts on share prices and higher yields.

Ladbroke's announcement on Thursday that it wanted its rights to raise £464m brings the year's total to a record £7.66bn. Thus, companies have already surpassed the go-go days of the UK stock market in 1987, when just over £7bn-worth of rights issues were launched.

After an initial wave of cash calls earlier this year, fund managers are bracing for yet another round of fund-raising exercises by companies who need to restock balance sheets worn away by high debt service expenses and years of recession.

Furthermore, there are few signs that the market for new paper is saturated.

According to Mr Bill Smith, equities strategist at Barclays de Zoete Wedd, institutions started the year with about £25bn in cash, roughly 7 per cent of portfolios.

That has now been wound down to less than £20bn, approximately 4 per cent of portfolios, but there are signs that institutions are selling gilts to raise money for share purchases.

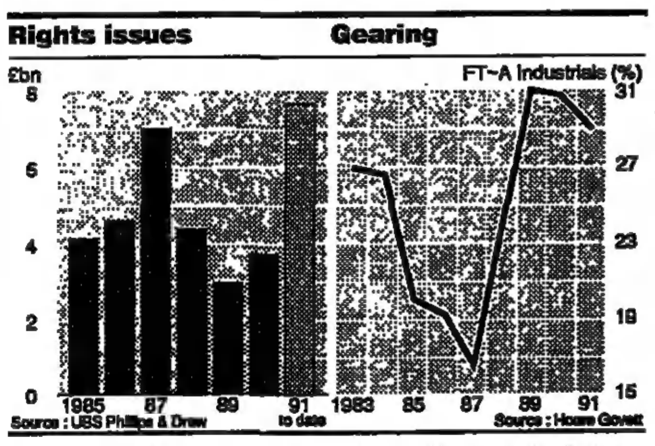
"We reckon that for 1991, institutions will be able to take up the offerings of UK equities and gilts," says Mr Alun Jones, equities strategist at UBS Phillips & Drew.

However, the institutions themselves say they are somewhat more choosy about which rights issues they wish to participate in and, indeed, several privately admit to having turned down some of the biggest.

Many of them remember all too well the lessons of 1986 and 1987, when share capital financed expansion that proved uneconomic.

"Almost all the rights issues this year have been to pay for managements' past excesses," says Mr David Manning, manager of UK equities at Legal & General.

But rather than boycott the issues of companies bearing the brunt of over-expansion in the late 1980s, institutions are simply demanding more generous terms.




Terms of the most recent rights issues have offered handsome discounts of 12-17 per cent from current share prices to give underwriters an added degree of comfort. Discounts of less than 10 per cent had previously been more typical.

Similarly, gross dividend yields, many more than 9 per cent, have characterised recent issues while the market's current average yield is about 4.5 per cent.

Indeed, Trafalgar House's £310m rights issue offered a gross dividend yield of 14 per cent.

But beyond considerations of attractive terms, fund managers say they are increasingly wary of so-called "opportunistic" calls intended to help companies capitalise on a surging stock market.

A fund manager at one major institution says that May's £387m rights at Argyll, the food retailer, came under fire because the company could not demonstrate any visible need for cash.

"If all they want to do is raise the cash and invest it, well, we can do that as easily as they can," he says.

However, he admits he decided to underwrite the Argyll deal after calling in the management and learning that the company had embarked on a more ambitious expansion plan than had been earlier announced.

Similarly, the £24.5m rights offering of US-based George Scholl & Co, the shoe and footcare products manufacturer, attracted criticism.

Fund managers said that some potential rights issuers had been discouraged from issuing in pre-marketing meetings with institutions. "I've been visited by five or six who I know had been told 'no go'," maintains one investment manager.

But despite some notable flops – Mountleigh's recent £96m issue attracted only a 12 per cent take-up because of investor concern about how the property company was being run – most of the largest rights issues have all been digested by the markets, with institutional take-up rates of at least 80 per cent.

However institutions themselves concede that even if they are not happy either with the underlying stock or the company's motives for selling new shares, it would be hard to turn down the opportunity to participate in an issue. At the heart of their decision lies the underwriting system, a symbiotic relationship between companies, brokers and institutions that offers incentives to all to work together.

"It's money for old rope," says one fund manager, noting that the underwriting fees typically offset the risk that his institution might be lumbered with unsold securities. Managers say they make a distinction between performing an underwriting role and actually purchasing the shares themselves.

Fund managers also say they fear that, if they reject unprofitable deals, brokers will retaliate against them by denying them the opportunity to participate in the money-spinning issues.

"Brokers expect you to take the smooth with the rough," said a fund manager. "And if you assume that 99 out of 100 offerings are successful, you would be ill-advised to turn one down."

# Boddington spends £6m to extend wholesaling side

**By Philip Rawstorne**

BODDINGTON, the pubs, hotels and healthcare group, yesterday further expanded its drinks wholesaling operations with the acquisition of a majority stake in Hey (UK), an independent drinks wholesaler, for £6.01m.

The deal will increase the turnover of Boddington's beer, spirits, wines and soft drinks wholesaling division to £100m. Sales had already doubled last year from £30m to £60m.

"It is now becoming a very important part of the group's business," maintained Mr Hubert Reid, managing director.

"It is cash generative, margins are benefiting from the growing scale of the operation, and the beer volumes, combined with those of our pubs, have strengthened our purchasing power."

Mr Reid said that the Hey business would complement Boddington's coverage of north-west England with nine depots in Yorkshire and the north-east.

In the last two years, Boddington has also extended its operations in the Midlands and the south of England.

Boddington is acquiring 74.44 per cent of Hey through a combination of 1.8m new shares, £2.38m of loan stock and £814,000 in cash.

It has reached agreement with Alan Patricof Associates, the principal remaining minority shareholder, to acquire its holding not later than June 1995.

Hey, which recently disposed of its manufacturing and soft drinks dispensing operations, incurred a pre-tax loss of £105,000 last year but operating profits were £1.17m on turnover of £39.3m. Net assets at the March year-end amounted to £4.45m.

## NEWS DIGEST

# Church falls to almost break-even

CHURCH & CO, the shoe retailer, wholesaler and manufacturer, reported "disappointing" pre-tax profits of £14,000 for the first half of the 1991 year, compared with £1.87m previously.

Mr John Church, who became chairman in May, said the result reflected a combination of the Gulf war (when tourism "virtually came to a halt") and the severe recession in the UK, US and Canada. Losses were incurred in UK retail, in Canada, America and Hong Kong, though all the other companies in the group remained profitable.

Cost saving measures had been made, particularly within A Jones & Sons and both US and Canadian companies.

Turnover was £31m (£33.7m) and the pre-tax figure was struck after an exceptional charge of £185,000 (nil) relating to redundancy and rationalisation costs. Earnings emerged at 0.4p (10.9p) per share, but the interim dividend is held at 3p.

A Jones, a wholly owned subsidiary, made pre-tax losses of £117,000 (profits £314,000) on turnover of £13m (£14.4m).

## TI to spend $14.2m on US company

TI Group, the specialist engineering group, has agreed in principle to buy the Belfab division of Pacific Scientific for $14.2m, or £8.4m.

Florida-based Belfab designs and makes precision-welded metal bellows and mechanical seal products, mainly for use in aerospace and industrial applications. In the year to December 28 it made operating profits of $1.3m on sales of $9.9m.

## Clondalkin 16% ahead at I£5.62m

Clondalkin Group, the Dublin-based printing and packaging group, announced a 16 per cent rise in taxable profits on increased contributions from Ireland, the UK and the US.

The rise, from I£4.85m to I£5.62m (£5m), came from sales advanced to I£85.2m (I£81m). The interim dividend is increased to 1.698p (1.572p) on earnings per share of 10.47p (9.14p).

## Heritage reduces its losses to £381,000

Heritage, the USM-quoted household goods and hardware wholesaler, reduced its losses from £1.18m to £381,000 pre-tax in the "traumatic" year to April 30, though again no final dividend has been recommended.

In the previous year, 1.29p was paid, but at the interim stage.

Turnover was down at £10.5m (£11.5m), despite, in the words of Mr Jeffrey Lampert, chairman, the "most difficult trading conditions Heritage has ever experienced" and the fire in April 1990 which destroyed the main warehouse and offices.

The pre-tax loss included exceptional costs of £197,000 of under-insurance on the business interruption policy. However administrative costs were reduced to £1.36m (£2.01m). The losses per share were cut to 7.08p (16.74p).

## English & Overseas falls into loss

In the first half of 1991 English & Overseas Properties fell from profits of £908,000 into a pre-tax loss of £551,000.

The result was struck after exceptional provisions of £672,000 as a result of the level of lettings both in respect of take-up and rents achieved.

The loss per share was 9.46p (10p earnings) and the interim dividend is cut to 0.5p (2p).

Mr Jim Clark, the chairman, said the company's fee income continued to grow and the investment operation was expanding.

Turnover fell from £1.22m to £575,000.

## Sharp decline to £0.7m at Mallett

Profits were sharply down at Mallett, the London antique dealer in which House of Fraser holds a 29.93 per cent interest, in the first half of 1991.

Taxable profits of £680,000 (£2.68m) were struck on turnover also sharply down at £4.92m (£8.36m), though the company said that the extent of the falls were accentuated by the comparison with the first six months of 1990 when profits had been unusually strong.

However the company was also affected by the difficult trading conditions throughout the antiques and fine art markets, as well as the increased overheads of its new building. The cost structure is being examined and cuts have been made in some areas, including the directors waiving 10 per cent of their salaries.

Earnings were down at 3.25p (12.6p) per share and the interim dividend is reduced from 2p to 1.5p.

## Bennett & Fountain returns to the black

Sharply reduced operating and interest costs enabled Bennett & Fountain to swing from losses of £9.99m to profits of £2.31m pre-tax for the year to end-June.

Turnover of the group, an electrical wholesaler and retailer which has been operating under a new management team for the past 12 months, amounted to £74.1m (£88.1m).

A reorganisation and restructure over the period resulted in disposals and the closure of certain operations.

Operating expenses were cut from £25.7m to £12.9m and interest charges from £6.06m to £2.46m.

Earnings per share emerged at 2.2p (losses 23.2p).

At the year-end group borrowings had been reduced to £14.1m (£42.2m).

Voltex Holdings owns some 60 per cent of the group's equity following a £20m subscription in July 1990.

## English & Cal assets decline

Net asset value per share of English & Caledonian Investment fell from 255.6p to 193.4p over the 12-month period to June 30.

Net revenue declined by £50,000 to £134,000, equal to earnings of 2.99p (4.1p). As already announced, a final dividend of 2.15p makes a 3.15p (3p) total.

## Grafton declines to I£1.62m

Reduced taxable profits of I£1.62m (£1.47m) were announced by Grafton Group, the Dublin-based builders' merchant and DIY retailer, for the half-year to June 30. The comparable result was I£2.3m.

The interim dividend is held at 2.5p although earnings per share fell to 7.5p (9.6p).

Mr Michael Chadwick, chairman, said that most of the group's businesses serving the Irish construction industry had produced satisfactory profits even though there had been a reduction in activity in that sector.

Turnover improved from I£39.5m to I£45.6m but trading profits fell and interest payments rose to I£553,000 (I£176,000).

## Arnotts improves to I£1.21m

Taxable profits at Arnotts, the Dublin-based department store operator, improved to I£1.21m (£1.1m) in the half-year to July 31. The previous figure was I£1.08m.

Turnover advanced to I£19.2m (I£18.6m) and, after tax of I£495,000 (I£470,000), earnings per share rose from 3.5p to 4.1p.

The interim dividend is unchanged at 2.25p.

### DIVIDENDS ANNOUNCED

| | | Current payment | Date of payment | Corres-ponding dividend | Total for year | Total last year |
|---|---|---|---|---|---|---|
| Arnotts | int | 2.25♣ | Dec 31 | 2.25 | - | 7 |
| Church & Co | int | 3 | Oct 23 | 3 | - | 12.5 |
| Cook (DC) § | fin | 1 | Oct 15 | 1 | 1 | 1 |
| Eng & Ovs Props | int | 0.5 | Oct 4 | 2 | - | 2.5 |
| Heritage § | fin | nil | - | nil | nil | 1.29 |
| Ladbroke | int | 4.92 | Jan 2‡ | 4.68 | - | 10.61 |
| Macfarlane | int | 1.75 | Oct 11 | 1.702 | - | 4.034 |
| Mallett | int | 1.5 | Oct 14 | 2 | - | 6 |

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ♣Irish currency. ‡Corrected.

### LONDON RECENT ISSUES

**EQUITIES**

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1991 High | 1991 Low | Stock | Closing Price p | + or - | Net Div | Times Cov'd | Gross Yield | P/E Ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 | F.P. | – | 39½ | 29 | ‡Airbreak Leisure 5p | 37 | | a1.75 | 1.8 | 6.3 | 9.6 |
| † | F.P. | – | 110 | 105 | Capital Ventures 1p | 110 | | – | – | – | – |
| – | F.P. | – | 10 | 8 | City of Oxford Wrnts. | 10 | | – | – | – | – |
| 100 | F.P. | – | 100 | 93 | County Smaller Cos. | 96 | | M3.38 | – | 4.7 | – |
| – | F.P. | – | 28 | 20 | Do. Warrants | 28 | | – | – | – | – |
| 4 | F.P. | – | 9½ | 4¼ | Calver 1p | 5¼ | | – | – | – | – |
| – | F.P. | – | 320 | 213 | Eurotunnel '91 Wrnts. | 265 | –5 | – | – | – | – |
| 100 | F.P. | – | 110 | 105 | Gartmore Scotland Inc. | 109 | | M11.6 | – | 14.2 | – |
| 100 | F.P. | – | 98 | 85 | Do. Capital | 96 | +2 | – | – | – | – |
| – | F.P. | – | £650 | £605 | Do. Units | £630 | | – | – | – | – |
| 146 | F.P. | – | 161 | 148 | Irish Life Ir10p | 159 | | HQ102% | – | 5.8 | – |
| 100 | F.P. | – | 107 | 101 | Kleinwort High Inc. 5p | 106 | | M7.5 | – | 9.4 | – |
| §290 | F.P. | – | 323 | 297 | Lowndes Lambert 5p | 322 | –1 | L11.5 | 1.9 | 4.8 | 15.0 |
| 100 | F.P. | – | 105 | 101 | Murray Split Income 10p | 104 | | M10.58 | – | 13.6 | – |
| 100 | F.P. | – | 100 | 96 | Murray Split Tst. Cap. 10p | 96 | | – | – | – | – |
| – | F.P. | – | 2550 | 2520 | Do. Units | 2550 | | – | – | – | – |
| †† | F.P. | – | 47 | 47 | Scottish Value Trust | 47 | | a1.8 | 0.8 | 5.1 | 34.6 |
| 50 | F.P. | – | 54 | 47 | ‡Simpsons of Cornhill 5p | 47 | | – | – | – | 14.6 |
| 1 | F.P. | – | ½ | ½ | ‡Stanelco 1p | ½ | | – | – | – | – |
| 100 | F.P. | – | 103 | 100 | US Smaller Cos. | 103 | | – | – | – | – |
| 100 | F.P. | – | 36 | 23 | Do. Warrants | 36 | | – | – | – | – |

### RIGHTS OFFERS

| Issue Price p | Amount Paid up | Latest Renunc. Date | 1991 High | 1991 Low | Stock | Closing Price p | + or - |
|---|---|---|---|---|---|---|---|
| 50 | Nil | – | 16pm | 9pm | ‡Applied Holographics 5p | 9pm | |
| 33 | Nil | – | 1¼pm | 1¼pm | Beaverco 5p | 1¼pm | |
| 10 | Nil | – | 2pm | 1½pm | Benson Group 2.5p | 1½pm | |
| 47 | Nil | – | 25½pm | 17pm | Blanc Inds. 5p | 25½pm | +½ |
| 225 | Nil | – | 27pm | 8pm | Capital & Counties | 10pm | |
| 20 | Nil | – | 3pm | 2pm | ‡Pelican 20p | 2pm | –½ |
| 39 | Nil | – | 8pm | 4pm | Try Group 10p | 6pm | |

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. u Forecast or estimated annualised dividend rate, cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1990-91. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ♦ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

### FIXED INTEREST STOCKS

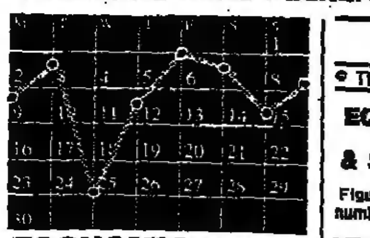
| Issue Price £ | Amount Paid up | Latest Renunc. Date | 1991 High | 1991 Low | Stock | Closing Price £ | + or - |
|---|---|---|---|---|---|---|---|
| 100 | F.P. | - | 100 | 98½ | Caoboume Inds. 10½pc Rd. Deb. 2001 | 99½ | +1 |
| 100 | F.P. | - | 90 | 79½ | Claybithe 9½pc Cnv. Ln. 2000-01 | 79½ | |
| 100p | F.P. | - | 109½p | 104¼p | Gartmore Scotland Zero Div Prf. | 109½p | +½ |
| 100p | F.P. | - | 108p | 102½p | Kleinwort High Income Zero Div Prf. | 108p | |
| 102½p | F.P. | - | 107¼p | 103p | Murray Split Cap Tst Zero Div Prf 10p | 107¼p | |

### TRADITIONAL OPTIONS

- First Dealings Aug. 19
- Last Dealings Sept. 9
- Last Declarations Nov. 21
- For settlement Dec. 2

*For rate indications see end of London Share Service*

Calls in **Arlen, Interlink Express** and **Mountleigh**. Puts in **Maxwell Comms.** and **St. Ives.**



## ECONOMIC DIARY

**TODAY:** General elections in Singapore.

**TOMORROW:** Mr John Major, prime minister, is expected to make a brief stop in Moscow before commencing a three-day visit to Beijing. He then goes on to Hong Kong for a two-day visit. Roumanian government to align petrol prices with world levels as part of market economy programme. Amnesty International annual conference in Yokohama, Japan.

**MONDAY:** Non-aligned movement foreign ministers' conference in Accra (until September 7). TUC annual conference in Glasgow. International Pharmaceutical Federation holds annual meeting in Washington.

**TUESDAY:** The Treasury gives figures for United Kingdom official reserves during August. US Commerce Department publishes figures for construction spending in July. Inter-governmental conference on economic and monetary union meets in Brussels at level of ministers' personal respresentatives. Trial begins in Miami of former Panamanian military leader Mr Manuel Noriega on drug trafficking and money laundering charges.

**WEDNESDAY:** The Central Statistical Office announces statistics for overseas travel and tourism in June. The Department of Energy issues advance energy statistics for July. The Department of Employment gives details of employment, unemployment, earnings, prices and other indicators.

**THURSDAY:** The Department of the Environment announces figures for housing starts and completions in July. The Central Statistical Office publishes cyclical indicators for the United Kingdom economy (July-second estimate). US Commerce Department issues statistics for capital spending for second quarter, while the Labor Department announces figures for productivity and costs during the second quarter (revised).

**FRIDAY:** US Labor Department gives unemployment figures for August and the Commerce Department publishes leading indicators for July. Patriotic Front of anti-apartheid groups meets in Cape Town (until September 8).

## FT-ACTUARIES SHARE INDICES

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| | EQUITY GROUPS & SUB-SECTIONS — Figures in parentheses show number of stocks per section | Friday August 30 1991 — Index No. | Day's Change % | Est. Earnings Yield% (Max.) | Gross Div. Yield% (Act at (25%)) | Est. P/E Ratio (Net) | xd adj. 1991 to date | Thu Aug 29 Index No. | Wed Aug 28 Index No. | Tue Aug 27 Index No. | Year ago (approx) Index No. | 1991 High | 1991 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (183) | 866.19 | +0.3 | 9.69 | 5.58 | 12.72 | 23.39 | 863.77 | 858.68 | 855.94 | 762.56 | 890.04 15/3 | 675.31 16/1 | 1038.07 16/7/87 | 50.71 13/12/74 |
| 2 | Building Materials (24) | 1113.80 | .... | 8.27 | 5.57 | 15.36 | 31.82 | 1113.55 | 1108.02 | 1100.13 | 961.83 | 1167.75 14/3 | 911.64 16/1 | 1381.08 16/7/87 | 44.27 11/12/74 |
| 3 | Contracting, Construction (31) | 1164.60 | +0.2 | 9.44 | 6.70 | 13.99 | 32.68 | 1161.97 | 1165.94 | 1163.46 | 1214.75 | 1438.66 15/3 | 1051.83 23/1 | 1951.50 16/7/87 | 71.48 2/12/74 |
| 4 | Electricals (11) | 2467.22 | +0.4 | 9.70 | 5.40 | 13.18 | 63.95 | 2457.27 | 2453.96 | 2465.47 | 2119.80 | 2495.28 3/4 | 1837.98 22/1 | 3040.80 8/9/89 | 84.71 25/6/62 |
| 5 | Electronics (24) | 1775.79 | +0.5 | 8.44 | 5.12 | 15.26 | 48.40 | 1766.40 | 1751.88 | 1756.26 | 1618.30 | 1958.19 15/3 | 1478.08 16/1 | 2308.22 19/5/89 | 1229.01 8/10/85 |
| 6 | Engineering-Aerospace (8) | 407.68 | +0.1 | 16.76 | 6.15 | 7.15 | 12.11 | 407.27 | 410.47 | 407.34 | 428.51 | 469.23 9/4 | 380.48 16/1 | 502.42 13/6/90 | 380.48 16/1/91 |
| 7 | Engineering-General (45) | 483.73 | +0.2 | 10.96 | 5.31 | 11.20 | 13.13 | 482.80 | 480.15 | 479.80 | 416.08 | 483.73 30/8 | 339.57 23/1 | 505.10 15/6/90 | 339.57 23/1/91 |
| 8 | Metals and Metal Forming (8) | 454.47 | -0.5 | 14.90 | 7.77 | 8.21 | 17.15 | 456.97 | 451.96 | 447.71 | 428.05 | 509.18 3/4 | 381.44 16/1 | 596.67 9/10/87 | 49.65 6/1/75 |
| 9 | Motors (12) | 360.87 | +0.4 | 9.10 | 6.66 | 13.54 | 12.13 | 359.26 | 358.99 | 356.94 | 308.95 | 360.87 30/8 | 266.43 16/1 | 411.42 13/10/87 | 19.91 6/1/75 |
| 10 | Other Industrial Materials (20) | 1673.34 | +0.6 | 8.36 | 4.81 | 14.04 | 36.42 | 1664.18 | 1643.76 | 1639.21 | 1351.89 | 1673.34 30/8 | 1147.76 16/1 | 1881.53 18/8/89 | 277.55 15/1/81 |
| 21 | CONSUMER GROUP (188) | 1567.58 | +0.5 | 7.35 | 3.49 | 16.77 | 26.76 | 1560.15 | 1553.30 | 1548.67 | 1200.00 | 1567.58 30/8 | 1188.45 16/1 | 1567.58 30/8/91 | 61.41 13/12/74 |
| 22 | Brewers and Distillers (22) | 1908.86 | +0.4 | 8.05 | 3.50 | 15.15 | 34.70 | 1901.51 | 1889.63 | 1884.04 | 1490.32 | 1908.86 30/8 | 1478.24 25/1 | 1908.86 30/8/91 | 69.47 13/12/74 |
| 25 | Food Manufacturing (19) | 1235.10 | +1.0 | 9.29 | 4.00 | 13.30 | 24.86 | 1222.60 | 1214.98 | 1212.91 | 1012.54 | 1235.10 30/8 | 1013.60 16/1 | 1235.10 30/8/91 | 59.67 11/12/74 |
| 26 | Food Retailing (17) | 2655.93 | +0.5 | 8.08 | 3.14 | 16.18 | 44.38 | 2642.92 | 2647.60 | 2632.27 | 2427.37 | 2854.91 2/5 | 2259.53 2/1 | 2854.91 2/5/91 | 54.25 11/12/74 |
| 27 | Health and Household (22) | 3755.31 | +0.2 | 5.16 | 2.31 | 22.10 | 35.00 | 3748.60 | 3719.07 | 3701.21 | 2313.44 | 3755.31 30/8 | 2454.93 16/1 | 3755.31 30/8/91 | 175.38 28/5/80 |
| 29 | Hotels and Leisure (23) | 1383.84 | +1.1 | 8.60 | 5.04 | 14.01 | 35.83 | 1368.52 | 1360.67 | 1352.34 | 1252.97 | 1399.64 14/3 | 1066.91 25/1 | 1845.77 6/9/89 | 54.83 9/1/75 |
| 30 | Media (26) | 1495.11 | +0.2 | 7.38 | 4.75 | 17.66 | 38.58 | 1491.57 | 1488.26 | 1488.80 | 0.00 | 1521.09 17/4 | 1166.91 16/2 | 1521.09 17/4/91 | 1166.91 16/1/91 |
| 31 | Packaging, Paper & Printing (18) | 771.08 | +0.4 | 7.32 | 4.27 | 16.52 | 15.40 | 767.85 | 766.92 | 767.57 | 529.34 | 771.08 30/8 | 486.96 16/1 | 771.08 30/8/91 | 43.46 6/1/75 |
| 34 | Stores (32) | 1020.64 | +0.5 | 7.50 | 3.64 | 17.41 | 17.12 | 1015.22 | 1014.10 | 1013.25 | 794.88 | 1023.84 23/8 | 766.89 29/1 | 1160.58 29/7/87 | 52.63 6/1/75 |
| 35 | Textiles (9) | 605.70 | -0.1 | 8.29 | 5.12 | 14.98 | 14.09 | 606.24 | 610.01 | 613.49 | 423.10 | 614.71 23/8 | 396.58 28/1 | 914.52 2/10/87 | 62.66 11/12/74 |
| 40 | OTHER GROUPS (109) | 1286.66 | +0.2 | 9.54 | 5.01 | 13.08 | 31.65 | 1283.91 | 1277.98 | 1276.91 | 1027.50 | 1286.66 30/8 | 961.05 16/1 | 1286.66 30/8/91 | 58.63 6/1/75 |
| 41 | Business Services (12) | 1406.58 | .... | 7.67 | 4.66 | 16.13 | 29.77 | 1406.41 | 1399.93 | 1402.16 | 0.00 | 1409.29 23/8 | 892.28 1/2 | 1409.29 23/8/91 | 892.28 1/2/91 |
| 42 | Chemicals (21) | 1501.40 | +0.9 | 6.79 | 4.80 | 18.16 | 45.88 | 1487.91 | 1477.49 | 1467.56 | 1059.26 | 1501.40 30/8 | 1004.01 16/1 | 1545.46 5/10/87 | 71.20 2/12/74 |
| 43 | Conglomerates (10) | 1521.74 | +0.4 | 9.78 | 6.93 | 12.34 | 35.14 | 1515.69 | 1506.32 | 1501.89 | 1427.29 | 1626.42 14/3 | 1217.37 16/1 | 1819.46 11/8/89 | 975.19 10/11/87 |
| 44 | Transport (13) | 2318.89 | +0.1 | 7.74 | 4.62 | 16.01 | 50.50 | 2316.79 | 2309.25 | 2313.41 | 1974.96 | 2318.89 30/8 | 1730.87 23/1 | 2554.69 12/7/89 | 90.80 29/6/62 |
| 45 | Electricity (16) | 1226.54 | -0.2 | 14.28 | 5.31 | 8.96 | 24.04 | 1228.78 | 1224.75 | 1225.71 | 0.00 | 1250.49 5/6 | 994.96 7/1 | 1250.49 5/6/91 | 994.96 7/1/91 |
| 46 | Telephone Networks (4) | 1551.04 | +0.5 | 9.52 | 3.92 | 13.75 | 28.34 | 1543.35 | 1535.41 | 1543.35 | 1137.09 | 1555.59 23/8 | 1085.95 16/1 | 1555.59 23/8/91 | 517.92 30/11/84 |
| 47 | Water (10) | 2371.99 | -0.2 | 17.24 | 6.49 | 6.42 | 118.37 | 2377.24 | 2374.30 | 2364.95 | 1956.49 | 2536.12 15/4 | 2134.83 16/1 | 2536.12 15/4/91 | 1820.20 1/5/90 |
| 48 | Miscellaneous (23) | 1938.28 | -0.6 | 6.17 | 5.00 | 21.11 | 47.89 | 1949.79 | 1943.77 | 1929.50 | 1509.17 | 2033.42 15/8 | 1506.17 16/1 | 2087.06 11/7/89 | 60.39 6/7/75 |
| 49 | INDUSTRIAL GROUP (480) | 1307.27 | +0.4 | 8.51 | 4.38 | 14.55 | 28.00 | 1302.66 | 1296.47 | 1293.45 | 1044.89 | 1307.27 30/8 | 991.97 16/1 | 1307.27 30/8/91 | 59.01 13/12/74 |
| 51 | Oil & Gas (20) | 2481.82 | +0.1 | 10.54 | 5.55 | 12.52 | 77.74 | 2478.69 | 2461.69 | 2470.55 | 2435.70 | 2509.42 23/7 | 2101.45 21/1 | 2528.70 3/8/90 | 87.23 29/5/62 |
| 59 | 500 SHARE INDEX (500) | 1407.79 | +0.3 | 8.76 | 4.53 | 14.26 | 31.95 | 1403.23 | 1396.19 | 1393.97 | 1158.51 | 1407.79 30/8 | 1092.04 16/1 | 1407.79 30/8/91 | 63.49 13/12/74 |
| 61 | FINANCIAL GROUP (92) | 835.42 | -0.1 | - | 5.58 | - | 26.77 | 836.44 | 832.97 | 831.72 | 714.72 | 859.94 15/3 | 667.36 16/1 | 896.67 13/10/87 | 55.88 13/12/74 |
| 62 | Banks (9) | 977.56 | -0.4 | 4.36 | 5.45 | 43.03 | 36.83 | 981.02 | 983.92 | 981.81 | 770.32 | 990.14 23/8 | 695.08 15/1 | 990.14 23/8/91 | 62.44 12/12/74 |
| 65 | Insurance (Life) (7) | 1607.75 | +0.1 | - | 5.16 | - | 41.64 | 1605.73 | 1596.69 | 1587.25 | 1358.35 | 1612.93 15/3 | 1220.74 16/1 | 1612.93 15/3/91 | 44.88 2/1/75 |
| 66 | Insurance (Composite) (6) | 666.54 | -0.2 | - | 6.58 | - | 22.61 | 668.12 | 648.59 | 652.04 | 606.19 | 728.27 15/3 | 572.52 16/1 | 768.11 29/12/89 | 43.96 13/12/74 |
| 67 | Insurance (Brokers) (9) | 1164.42 | -0.3 | 7.03 | 5.80 | 18.60 | 30.86 | 1167.70 | 1169.21 | 1164.94 | 847.24 | 1202.38 5/4 | 932.88 23/1 | 1399.56 17/7/87 | 65.86 16/12/74 |
| 68 | Merchant Banks (7) | 443.67 | +0.3 | - | 4.73 | - | 12.16 | 442.23 | 439.54 | 438.55 | 383.53 | 448.97 15/3 | 327.70 16/1 | 547.59 12/10/87 | 31.21 7/1/75 |
| 69 | Property (36) | 933.28 | +0.4 | 5.96 | 4.99 | 23.90 | 20.96 | 929.28 | 932.79 | 931.57 | 937.90 | 1087.65 15/3 | 881.23 3/7 | 1398.87 5/9/89 | 56.01 20/4/65 |
| 70 | Other Financial (18) | 262.69 | -0.3 | 10.94 | 6.90 | 11.45 | 7.99 | 263.37 | 261.56 | 260.42 | 255.79 | 298.63 15/3 | 236.37 14/1 | 403.48 16/7/87 | 33.29 17/12/74 |
| 71 | Investment Trusts (69) | 1242.95 | +0.2 | - | 3.47 | - | 22.35 | 1240.82 | 1234.05 | 1232.16 | 1070.34 | 1242.95 30/8 | 947.19 16/1 | 1323.81 4/1/90 | 71.12 13/12/74 |
| 99 | ALL-SHARE INDEX (661) | 1268.62 | +0.3 | - | 4.64 | - | 30.23 | 1266.31 | 1259.10 | 1257.11 | 1051.08 | 1268.62 30/8 | 987.46 16/1 | 1268.62 30/8/91 | 61.92 13/12/74 |

| | Index No. | Day's Change | Day's High (a) | Day's Low (b) | Aug 29 | Aug 28 | Aug 27 | Aug 23 | Aug 22 | Year ago | 1991 High | 1991 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| FT-SE 100 SHARE INDEX♦ | 2645.7 | +7.5 | 2645.7 | 2632.7 | 2638.2 | 2624.2 | 2619.8 | 2640.7 | 2623.0 | 2162.8 | 2645.7 30/8 | 2054.8 16/1 | 2645.7 30/8/91 | 986.9 23/7/84 |

### FIXED INTEREST

| | PRICE INDICES | Fri Aug 30 | Day's change % | Thu Aug 29 | Accrued interest | xd adj. 1991 to date |
|---|---|---|---|---|---|---|
| | **British Government** | | | | | |
| 1 | Up to 5 years (28) | 122.02 | +0.08 | 121.92 | 2.27 | 7.71 |
| 2 | 5-15 years (27) | 132.96 | +0.03 | 132.93 | 1.80 | 9.52 |
| 3 | Over 15 years (9) | 142.54 | -0.10 | 142.69 | 3.27 | 7.40 |
| 4 | Irredeemables (6) | 156.37 | +0.25 | 155.98 | 2.59 | 8.48 |
| 5 | All stocks (70) | 131.96 | +0.04 | 131.91 | 2.13 | 8.81 |
| | **Index-Linked** | | | | | |
| 6 | Up to 5 years (1) | 162.63 | +0.02 | 162.61 | 1.02 | 2.72 |
| 7 | Over 5 years (10) | 146.41 | +0.12 | 146.24 | 0.58 | 3.15 |
| 8 | All stocks (11) | 147.46 | +0.11 | 147.29 | 0.60 | 3.14 |
| 9 | Debs & Loans (58) | 111.80 | +0.06 | 111.73 | 2.20 | 7.16 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Fri Aug 30 | Thu Aug 29 | Year ago (approx.) | 1991 High | 1991 Low |
|---|---|---|---|---|---|---|---|
| | **British Government** | | | | | | |
| 1 | Low | 5 years | 8.91 | 8.91 | 11.07 | 10.14 16/1 | 8.88 19/8 |
| 2 | Coupons | 15 years | 9.64 | 9.63 | 11.07 | 10.24 2/1 | 9.46 19/2 |
| 3 | (0%-7¾%) | 20 years | 9.64 | 9.63 | 11.07 | 10.26 2/1 | 9.53 14/2 |
| 4 | Medium | 5 years | 9.97 | 9.97 | 12.04 | 11.15 2/1 | 9.97 29/8 |
| 5 | Coupons | 15 years | 9.82 | 9.80 | 11.59 | 10.62 2/1 | 9.80 29/8 |
| 6 | (8%-10¾%) | 20 years | 9.78 | 9.76 | 11.45 | 10.50 2/1 | 9.76 29/8 |
| 7 | High | 5 years | 10.15 | 10.15 | 12.15 | 11.25 2/1 | 10.15 30/8 |
| 8 | Coupons | 15 years | 9.93 | 9.92 | 11.86 | 10.80 2/1 | 9.92 29/8 |
| 9 | (11%-) | 20 years | 9.84 | 9.83 | 11.74 | 10.67 2/1 | 9.83 29/8 |
| 10 | Irredeemables† | | 9.83 | 9.85 | 11.22 | 10.48 31/12 | 9.83 30/8 |
| | **Index-Linked** | | | | | | |
| 11 | Inflation rate 5% | Up to 5yrs. | 3.93 | 3.91 | 4.77 | 4.48 15/7 | 3.59 18/1 |
| 12 | Inflation rate 5% | Over 5 yrs. | 4.31 | 4.31 | 4.32 | 4.40 1/8 | 4.09 18/2 |
| 13 | Inflation rate 10% | Up to 5 yrs. | 2.96 | 2.93 | 3.63 | 3.60 9/7 | 2.13 21/2 |
| 14 | Inflation rate 10% | Over 5 yrs. | 4.12 | 4.12 | 4.14 | 4.22 15/8 | 3.90 12/4 |
| 15 | Debs & | 5 years | 11.56 | 11.56 | 14.12 | 12.63 9/1 | 11.56 29/8 |
| 16 | Loans | 15 years | 11.37 | 11.37 | 13.21 | 12.38 18/1 | 11.37 29/8 |
| 17 | | 25 years | 11.19 | 11.19 | 12.90 | 12.16 18/1 | 11.19 28/8 |

♦Opening index 2637.3; 9 am 2637.9; 10 am 2633.5; 11 am 2633.4; Noon 2635.5; 1 pm 2636.5; 2 pm 2639.2; 2.30 pm 2640.0; 3 pm 2641.2; 4.10 pm 2644.6; (a) 4.29 (b) 10.47

| Equity section or group | Base date | Base value | Equity section or group | Base date | Base value | Equity section or group | Base date | Base value |
|---|---|---|---|---|---|---|---|---|
| Business Services | 31/12/90 | 999.65 | Telephone Networks | 30/11/84 | 517.92 | Food Manufacturing | 29/12/67 | 114.13 |
| Electricity | 31/12/90 | 999.65 | Electronics | 30/12/83 | 1646.65 | Food Retailing | 29/12/67 | 114.13 |
| Media | 31/12/90 | 1228.68 | Other Industrial Materials | 31/12/80 | 287.41 | Insurance Brokers | 29/12/67 | 96.67 |
| Engineering - Aerospace | 29/12/89 | 486.00 | Health/Household Products | 30/12/77 | 261.77 | All Other | 10/4/62 | 100.00 |
| Engineering - General | 29/12/89 | 486.00 | Other Groups | 31/12/74 | 63.75 | British Government | 31/12/75 | 100.00 |
| Water | 29/12/89 | 1968.45 | Industrial Group | 31/12/70 | 128.20 | Do. Index-linked | 30/4/82 | 100.00 |
| Conglomerates | 31/12/86 | 1114.07 | Other Financial | 31/12/70 | 128.06 | Debs & Loans | 31/12/77 | 100.00 |

† Flat yield. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL. The FT-ACTUARIES SHARE INDICES SERVICE covers a range of electronic and paper-based products relating to these indices. These are available by subscription from FINSTAT, Ibex House, 42-47 Minories, London EC3N 1DY. Tel: 071-702 0991.

## LONDON TRADED OPTIONS

| Option | | Calls Oct | Calls Jan | Calls Apr | Puts Oct | Puts Jan | Puts Apr |
|---|---|---|---|---|---|---|---|
| Allied Lyons (*596) | 550 | 58 | 69½ | 85 | 4 | 10½ | 14½ |
| | 600 | 23 | 38 | 54½ | 19 | 28 | 33½ |
| | 650 | 8 | 18½ | - | 54 | 57½ | - |
| ASDA (*91) | 80 | 12½ | 15½ | 16½ | 1½ | 2½ | 3½ |
| | 90 | 5¼ | 9 | 11 | 3½ | 5 | 7 |
| | 100 | 2 | 5¼ | 7 | 10 | 10½ | 12½ |
| Brit. Airways (*179) | 160 | 22½ | 26 | 30½ | 2½ | 4½ | 6½ |
| | 180 | 8 | 13½ | 18½ | 7¾ | 12½ | 14½ |
| | 200 | 2½ | 7 | 11 | 21½ | 25 | 26 |
| SmKl Beecham A (*792) | 750 | 39½ | 82½ | 101 | 7¼ | 16½ | 22 |
| | 800 | 28 | 51½ | 71½ | 26 | 35 | 39½ |
| | 850 | 9½ | 30 | 47½ | 56½ | 61 | 65½ |
| Boots (*429) | 390 | 46 | 52 | 63 | 2 | 5½ | 7½ |
| | 420 | 23 | 32 | 43 | 7 | 14½ | 17½ |
| | 460 | 5 | 13½ | 23 | 31½ | 36 | 37½ |
| B.P. (*352) | 330 | 28½ | 34½ | 38½ | 2¼ | 6 | 8½ |
| | 360 | 9½ | 15½ | 20½ | 12½ | 17½ | 20½ |
| | 390 | 1½ | 6¼ | - | 38 | 38½ | - |
| British Steel (*128) | 120 | 11½ | 13¼ | 16 | 2 | 4¼ | 5½ |
| | 130 | 5½ | 7½ | 10¼ | 5¼ | 8½ | 10 |
| | 140 | 1¼ | 3¼ | 6½ | 12 | 15 | 16 |
| Bass (*988) | 950 | - | 76½ | 91½ | - | 26 | 33½ |
| | 977 | 43½ | - | - | 19 | - | - |
| | 1000 | - | 45½ | 63½ | - | 47 | 54½ |
| C & Wire (*580) | 500 | 95½ | 105 | - | 1¼ | 4½ | - |
| | 550 | 50 | 66½ | 82½ | 6¼ | 12 | 17 |
| | 600 | 19½ | 37½ | 53½ | 23½ | 31½ | 36½ |
| Courtaulds (*485) | 420 | 71 | 80 | 117 | ½ | 1½ | 3 |
| | 460 | 37 | 49 | 63 | 6½ | 11½ | 15½ |
| | 500 | 14½ | 26½ | 40 | 22 | 28 | 31 |
| Com. Union (*522) | 460 | 71 | 83½ | - | 1¼ | 4 | - |
| | 500 | 35 | 52½ | 61 | 6 | 12½ | 17½ |
| | 550 | 10 | 23 | 32½ | 30½ | 34 | 39½ |
| Fisons (*496) | 460 | 46 | 59 | 72 | 4 | 9½ | 13½ |
| | 500 | 18½ | 34 | 47 | 16½ | 23½ | 28 |
| | 550 | 3¼ | 14½ | 24½ | 55 | 55 | 56 |
| GKN (*378) | 330 | 53 | 63 | 68 | 1½ | 4¼ | 9 |
| | 360 | 30 | 42 | 48 | 6 | 11½ | 18½ |
| | 390 | 11 | 29½ | 31 | 20 | 24 | 32½ |
| Grand Met. (*829) | 800 | 49½ | 72 | 85½ | 10 | 22 | 28 |
| | 850 | 21 | 43½ | 57½ | 32½ | 43 | 49½ |
| | 900 | 6 | 22½ | 37½ | 71½ | 74½ | 79½ |
| I.C.I. (*1360) | 1350 | 66½ | 113 | 130 | 31½ | 46½ | 70½ |
| | 1400 | 40½ | 86½ | 100 | 56 | 68½ | 88½ |
| Kingfisher (*574) | 550 | 35½ | 52½ | 70½ | 10½ | 16½ | 23 |
| | 600 | 10 | 26½ | 42½ | 34 | 38 | 42 |
| Ladbroke (*284) | 280 | 13 | 21 | 28 | 10 | 13½ | 18½ |
| | 300 | 5 | 12½ | 18½ | 21½ | 25½ | 29 |
| Land Secur (*517) | 500 | 28 | 39½ | 51½ | 5½ | 12½ | 15½ |
| | 550 | 5½ | 14½ | 24½ | 33½ | 39½ | 41½ |
| M & S (*290) | 280 | 18 | 25½ | 33½ | 4 | 8 | 10 |
| | 300 | 7 | 14 | 22 | 13½ | 17½ | 19½ |
| Sainsbury (*363) | 360 | - | - | 33½ | - | - | 14½ |
| | 390 | 5 | 12 | - | 24½ | 25½ | - |
| Shell Trans. (*520) | 500 | 35½ | 44½ | 49½ | 5 | 10½ | 15½ |
| | 550 | 5 | 17½ | 22 | 31½ | 34½ | 39½ |
| Storehouse (*111) | 110 | 6 | 9 | 11½ | 5 | 8 | 9½ |
| | 120 | 1½ | 5 | 8 | 11½ | 14½ | 15½ |
| Trafalgar (*254) | 251 | 15½ | 20 | - | 11 | 21 | - |
| | 271 | 7 | 11½ | - | 22 | 32 | - |
| Utd Biscuits (*409) | 390 | 27½ | 38½ | 46 | 7 | 10½ | 16½ |
| | 420 | 10 | 24 | 29½ | 22 | 24 | 30 |

| Option | | Calls Oct | Calls Jan | Calls Apr | Puts Oct | Puts Jan | Puts Apr |
|---|---|---|---|---|---|---|---|
| Unilever (*759) | 750 | 30½ | 49½ | 63 | 15 | 24½ | 29½ |
| | 800 | 9½ | 26 | 38½ | 45 | 50½ | 56½ |
| Ultramar (*284) | 280 | 11½ | 20¼ | 25 | 10½ | 13½ | 18½ |
| | 300 | 4 | 11½ | - | 23 | 26 | - |
| **Option** | | **Nov** | **Feb** | **May** | **Nov** | **Feb** | **May** |
| Brit. Aero (*552) | 550 | 24½ | 42 | 45½ | 26 | 34 | 43½ |
| | 600 | 8½ | 22 | 27½ | 60½ | 65½ | 76½ |
| BAA (*431) | 420 | 31½ | 40 | 51 | 11½ | 16½ | 19 |
| | 460 | 10½ | 22 | 32 | 32 | 38 | 40 |
| BAT Inds (*688) | 650 | 46½ | 66½ | 76½ | 12 | 18 | 22½ |
| | 700 | 18½ | 37½ | 50 | 34½ | 38½ | 43½ |
| BTR (*434) | 420 | 26 | 39 | 44 | 12 | 17 | 23 |
| | 460 | 8 | 19 | 24 | 35½ | 38 | 42 |
| Brit. Telecom (*394) | 390 | 21 | 28 | 37½ | 11½ | 16½ | 20 |
| | 420 | 7¼ | 14½ | 24 | 28½ | 32½ | 35½ |
| Cadbury Sch (*418) | 390 | 43 | 55½ | 57½ | 9 | 13½ | 17½ |
| | 420 | 24½ | 39½ | 42½ | 20 | 24 | 30 |
| Eastern Elec (*173) | 160 | 19½ | 23½ | 25 | 2½ | 6 | 8 |
| | 180 | 7½ | 12 | 14½ | 10½ | 13 | 16½ |
| Guinness (*1000) | 1000 | 43 | 71½ | 86½ | 31½ | 40½ | 50½ |
| | 1050 | 20½ | 46½ | 60½ | 63½ | 68½ | 73½ |
| GEC (*194) | 180 | 18½ | 21½ | 25½ | 2 | 4½ | 6½ |
| | 200 | 6½ | 10¼ | 16 | 9¼ | 12 | 15 |
| Hanson (*219) | 200 | 24 | 26½ | 28 | 1½ | 5¼ | 6½ |
| | 220 | 9¼ | 12½ | 16¼ | 7¼ | 13½ | 15½ |
| LASMO (*326) | 300 | 35½ | 45½ | 49½ | 5 | 9 | 11½ |
| | 330 | 16½ | 26 | 32 | 16 | 20 | 22 |
| Lucas Inds (*156) | 140 | 20½ | 22 | 26 | 3 | 5 | 6 |
| | 160 | 7½ | 10½ | 14½ | 11½ | 14½ | 15½ |
| P. & O. (*582) | 550 | 37½ | 59½ | 68½ | 14½ | 20½ | 29½ |
| | 600 | 15½ | 32½ | 42½ | 41½ | 46½ | 52½ |
| Pilkington (*167) | 160 | 17½ | 20½ | 27 | 6 | 10 | 13½ |
| | 180 | 7¼ | 12 | 17½ | 17½ | 21 | 24 |
| Prudential (*259) | 240 | 23½ | 32½ | 35½ | 4½ | 6 | 10 |
| | 260 | 12 | 18½ | 23½ | 12 | 14½ | 18½ |
| Racal (*222) | 220 | 26 | 37½ | - | 14½ | 20 | - |
| | 240 | 15½ | 27 | - | 25 | 31½ | - |
| R.T.Z. (*596) | 550 | 56½ | 71½ | 80½ | 7 | 13 | 18½ |
| | 600 | 25 | 41½ | 50 | 25 | 30 | 38½ |
| Scot. & New (*410) | 390 | 35½ | 42½ | 53½ | 6 | 12 | 13 |
| | 420 | 18 | 26 | 36½ | 18 | 24½ | 27½ |
| Tesco (*269) | 260 | 18½ | 25½ | 30½ | 5½ | 8½ | 10½ |
| | 280 | 8 | 15½ | 20 | 16½ | 18½ | 20 |
| Thames Water (*366) | 360 | - | - | 32½ | - | - | 12½ |
| | 370 | 13½ | 20 | - | 10 | 15½ | - |
| **Option** | | **Sep** | **Dec** | **Mar** | **Sep** | **Dec** | **Mar** |
| Abbey Nat. (*304) | 300 | 11 | 22½ | 30½ | 6 | 11 | 14½ |
| | 330 | 1¼ | 8 | 19½ | 27 | 27½ | 29½ |
| Amstrad (*50) | 50 | 3¼ | 6 | 8 | 3 | 4½ | 6½ |
| | 60 | ¼ | 2½ | 4½ | 10½ | 11½ | 13 |
| Barclays (*470) | 460 | 20 | 38 | 50½ | 6½ | 12½ | 20½ |
| | 500 | 3½ | 18½ | 30 | 30½ | 35½ | 40 |
| Blue Circle (*259) | 260 | 12½ | 21½ | 30 | 5½ | 11 | 14½ |
| | 280 | 3½ | 11½ | 20 | 17 | 22 | 25 |
| British Gas (*270) | 260 | 13½ | 21½ | 27 | 1½ | 5½ | 9 |
| | 280 | 2¼ | 11½ | 16 | 10½ | 14½ | 16½ |
| Dixons (*262) | 260 | 10½ | 21½ | 27½ | 6½ | 12½ | 15½ |
| | 280 | 3¼ | 11 | 17½ | 18½ | 22 | 26 |
| Eurotunnel (*490) | 460 | 43 | 63 | 80 | 5½ | 18½ | 25½ |
| | 500 | 19½ | 40 | 60 | 29½ | 35 | 43 |

| Option | | Calls Sep | Calls Dec | Calls Mar | Puts Sep | Puts Dec | Puts Mar |
|---|---|---|---|---|---|---|---|
| Glaxo (*1365) | 1300 | 75½ | 116 | 150 | 13 | 34½ | 45½ |
| | 1350 | 38½ | 85½ | 120 | 32½ | 55½ | 66½ |
| Hawker Sidd. (*597) | 550 | 57½ | 68½ | 85½ | 3 | 12 | 17 |
| | 600 | 19 | 35½ | 52½ | 14½ | 28 | 34½ |
| Hillsdown (*234) | 220 | 16 | 23 | 30 | 1½ | 5 | 8 |
| | 240 | 4½ | 11½ | 19 | 8½ | 13½ | 16½ |
| Lonrho (*239) | 220 | 22 | 30 | 32½ | 1 | 3½ | 8 |
| | 240 | 7½ | 16½ | 19½ | 6 | 10 | 16½ |
| Midland Bk (*253) | 240 | 16½ | 28 | 38 | 4 | 10 | 13½ |
| | 260 | 6¼ | 19½ | 26½ | 12½ | 19 | 24 |
| National Power (*157) | 140 | 17 | 21½ | 22 | 1 | 2¼ | 3½ |
| | 160 | 4½ | 10 | 12 | 6 | 9 | 11½ |
| Reuters (*891) | 850 | 55½ | 91½ | 118 | 12 | 33½ | 46 |
| | 900 | 25½ | 63½ | 91 | 30 | 53½ | 69 |
| R. Royce (*136) | 130 | 8¼ | 12½ | 16½ | 2½ | 5¼ | 10½ |
| | 140 | 3¼ | 7 | 11¼ | 9 | 11½ | 15 |
| Sears (*86) | 80 | 7 | 9½ | 13 | 1½ | 2½ | 4 |
| | 90 | 1½ | 4¼ | 7 | 5 | 6½ | 8½ |
| THF (*289) | 280 | 13 | 19½ | 28½ | 3½ | 8½ | 10½ |
| | 300 | 5 | - | - | 13½ | - | - |
| Thorn EMI (*804) | 800 | 21½ | 47½ | 63 | 15 | 28½ | 34½ |
| | 850 | 5½ | 21½ | 41 | 48 | 56 | 60½ |
| TSB (*158) | 140 | 18½ | 22½ | 24½ | ½ | 2 | 3½ |
| | 160 | 3¼ | 9½ | 13 | 5 | 7½ | 10 |
| Vaal Reefs (*$56) | 50 | 8 | 11 | 13½ | ½ | 2½ | 4 |
| | 60 | 1¼ | 5¼ | 8 | 4¼ | 7½ | 9¼ |
| Wellcome (*746) | 700 | 54½ | 76½ | 101 | 6½ | 20½ | 26½ |
| | 750 | 21½ | 47½ | 72½ | 22½ | 40½ | 48½ |
| **Option** | | **Sep** | **Dec** | | **Sep** | **Dec** | |
| Scottish Power (*106) | 100 | 8 | 11½ | - | 1¼ | 2¼ | - |
| | 110 | 1¼ | 5½ | - | 5¼ | 6½ | - |

**EURO FT-SE INDEX (*2645)**

| | 2375 | 2425 | 2475 | 2525 | 2575 | 2625 | 2675 | 2725 |
|---|---|---|---|---|---|---|---|---|
| **CALLS** | | | | | | | | |
| Aug | 260 | 210 | 160 | 110 | 60 | 10½ | ½ | ½ |
| Sep | 300 | 251 | 200 | 151 | 104 | 65 | 34 | 14 |
| Oct | - | 262 | - | 169 | - | 87½ | - | 35½ |
| Dec | - | 297 | - | 213 | - | 139 | - | 80½ |
| Mar | - | 335 | - | 257 | - | 183 | - | 125 |
| Jun | - | 378 | - | 305 | - | 240 | - | 175 |
| **PUTS** | | | | | | | | |
| Aug | ½ | ½ | ½ | ½ | ½ | ½ | 40 | 90 |
| Sep | 3 | 4 | 5½ | 5½ | 9 | 18½ | 37½ | 67½ |
| Oct | - | 8 | - | 12½ | - | 30½ | - | 73½ |
| Dec | - | 14½ | - | 25½ | - | 48½ | - | 84½ |
| Mar | - | 27 | - | 42 | - | 65 | - | 97 |
| Jun | - | 42½ | - | 60 | - | 85 | - | 110 |

**FT-SE INDEX (*2645)**

| | 2400 | 2450 | 2500 | 2550 | 2600 | 2650 | 2700 | 2750 |
|---|---|---|---|---|---|---|---|---|
| **CALLS** | | | | | | | | |
| Aug | 235 | 185 | 135 | 85 | 35½ | ½ | ½ | ½ |
| Sep | 276 | 228 | 178 | 129 | 86 | 49 | 24 | 8½ |
| Oct | 288 | 240 | 195 | 152 | 113 | 79 | 49 | 26 |
| Nov | 302 | 255 | 213 | 172 | 132 | 97½ | 65½ | 44½ |
| Dec † | - | 317 | - | 235 | - | 156 | - | 91 |
| Jun † | - | 397 | - | 317 | - | 252 | - | 192 |
| **PUTS** | | | | | | | | |
| Aug | ½ | ½ | ½ | ½ | ½ | 15 | 65 | 115 |
| Sep | 2½ | 3½ | 5 | 7½ | 14½ | 29 | 58½ | 107 |
| Oct | 6½ | 8½ | 11½ | 18 | 27½ | 42½ | 68½ | 106 |
| Nov | 8½ | 11½ | 17½ | 26 | 37½ | 53 | 78½ | 111 |
| Dec † | - | 13 | - | 22½ | - | 45½ | - | 87½ |
| Jun † | - | 35½ | - | 55½ | - | 82½ | - | 122 |

August 30 Total Contracts 24,760
Calls 14,635 Puts 10,125
FT-SE Index Calls 3,217 Puts 3,559
Euro FT-SE Calls 366 Puts 296
*Underlying security price. † Long dated expiry months.
Premiums shown are based on middle prices.



## NOTICE OF ADJOURNED MEETING

to the holders of the outstanding
ECU 65,000,000 9% Bonds due 1994
of
**ÖSTERREICHISCHE LÄNDERBANK AKTIENGESELLSCHAFT**

NOTICE IS HEREBY GIVEN that a meeting of the holders (the "Bondholders") of the above-mentioned bonds (the "Bonds") convened by Österreichische Länderbank Aktiengesellschaft (the "Bank") for 10.30 a.m. on Wednesday, 28th August, 1991 by the notice published on 6th August, 1991 in the Financial Times and the Luxemburger Wort (the "First Notice") was adjourned through lack of quorum and that an adjourned Meeting of the Bondholders will be held at 9.30 a.m. on Thursday 12th September, 1991 at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN for the purpose of considering, and if thought fit, passing the following Resolution (the reasons for which were explained in the First Notice) which will be proposed as an Extraordinary Resolution in accordance with the provisions of the Fiscal Agency Agreement dated 15th November, 1985 and made between the Bank and Banque Paribas Luxembourg S.A. as fiscal agent and principal paying agent (the "Fiscal Agent").

### EXTRAORDINARY RESOLUTION

"THAT this Meeting of the holders (the "Bondholders") of the ECU 65,000,000 9% Bonds due 1994 (the "Bonds") of Österreichische Länderbank Aktiengesellschaft (the "Bank"), issued pursuant to a fiscal agency agreement (the "Agency Agreement") dated 15th November, 1985 made between the Bank and Banque Paribas Luxembourg S.A. as fiscal agent and principal paying agent, HEREBY:–

A approves:
 (i) a merger ("the Merger") between the Bank and Zentralsparkasse und Kommerzialbank Aktiengesellschaft, Wien ("Z-Bank") for the purposes of Condition 10(f) of the terms and conditions of the Bonds; and
 (ii) the assumption by Z-Bank of the rights and obligations of the Bank in respect of the Bonds and the dissolution of the Bank to the intent that from and after the time when the Merger becomes effective the Bonds and the Agency Agreement shall be read and construed as if Z-Bank had been at all times a party thereto in place of the Bank;

B sanctions every modification, abrogation, variation, compromise of, or arrangement in respect of, the rights of the Bondholders and holders of the Coupons appertaining to the Bonds against the Bank involved in or resulting from the passing of this Extraordinary Resolution or the Merger; and

C authorises the parties to the Agency Agreement and Z-Bank to execute such further documents and do all such other acts and things, in each case as may be necessary to carry out and give effect to this Extraordinary Resolution."

### VOTING AND QUORUM

Bondholders are referred to the voting and quorum provisions set out in the First Notice but should note that the quorum required at the adjourned Meeting shall be two or more persons present in person holding Bonds or Voting Certificates or being proxies whatever the principal amount of Bonds so held or represented.

### AVAILABILITY OF DOCUMENTS

Copies of the Agency Agreement may be inspected, and copies of the Explanatory Memorandum described in the First Notice may be inspected and obtained, by Bondholders at or from (as the case may be) the specified office of each of the Fiscal or Paying Agents appointed in respect of the Bonds set out below.

### AGENTS

The Agents (and the relevant offices of each Agent) referred to in this Notice are:

*The Fiscal Agent and Principal Paying Agent*
Banque Paribas Luxembourg S.A., 10a Boulevard Royal, Luxembourg

*Paying Agents*
Morgan Guaranty Trust Company of New York, 60 Victoria Embankment, London EC4Y 0JP
Banque Paribas, 3 rue d'Antin, 75002 Paris
Morgan Guaranty Trust Company of New York, 35 Avenue des Arts, B-1040 Brussels
Swiss Bank Corporation, Aeschenvorstadt 1, CH-4002 Basle

This notice is important and requires your immediate attention. If you are in any doubt about the action you should take, you should consult your professional adviser. This notice has been issued by Österreichische Länderbank Aktiengesellschaft and approved by Österreichische Länderbank [illegible] Limited, a member of the Securities and Futures Authority Limited.





Nationwide Building Society

## £300,000,000

Floating Rate Notes Due 1996

(Second Series)
(Issued by Nationwide Building Society)

Interest Rate:
11.08% per annum

Interest Period:
30th August, 1991 to
30th September, 1991

Interest Amount per
£5,000 Note due
30th Sept, 1991: £47.05

Interest Amount per
£50,000 Note due
30th Sept, 1991: £470.52

Agent Bank
Baring Brothers & Co., Limited

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

| 1/2 hour period ending | Provisional Price for Trading on 31.08.91: Pool purchase price £/MWh | Final Prices for Trading on [illegible]: Pool purchase price £/MWh | Pool selling price £/MWh |
|---|---|---|---|
| 0030 | 15.60 | 16.57 | 19.48 |
| 0100 | 15.65 | 16.87 | 19.52 |
| 0130 | 16.50 | 16.67 | 19.55 |
| 0200 | 15.50 | 16.87 | 19.50 |
| 0230 | 15.50 | 16.87 | 19.57 |
| 0300 | 15.60 | 15.64 | 16.54 |
| 0330 | 16.50 | 15.51 | 15.57 |
| 0400 | 15.50 | 15.51 | 15.51 |
| 0430 | 15.50 | 15.61 | 15.51 |
| 0500 | 15.50 | 15.51 | 15.51 |
| 0530 | 16.56 | 15.49 | 15.49 |
| 0600 | 16.66 | 15.40 | 15.40 |
| 0630 | 15.58 | 15.62 | 15.82 |
| 0700 | 15.98 | 16.66 | 16.66 |
| 0730 | 15.87 | 15.84 | 15.84 |
| 0800 | 16.06 | 15.84 | 15.84 |
| 0830 | 17.16 | 18.09 | 19.54 |
| 0900 | 17.88 | 18.13 | 20.72 |
| 0930 | 21.87 | 18.13 | 20.70 |
| 1000 | 21.87 | 20.83 | 23.48 |
| 1030 | 21.87 | 20.83 | 23.48 |
| 1100 | 21.87 | 20.83 | 23.48 |
| 1130 | 21.87 | 20.83 | 23.48 |
| 1200 | 21.87 | 20.83 | 23.48 |
| 1230 | 19.06 | 18.13 | 20.70 |
| 1300 | 17.98 | 18.13 | 20.71 |
| 1330 | 17.88 | 17.87 | 20.34 |
| 1400 | 17.84 | 20.13 | 22.76 |
| 1430 | 17.84 | 20.13 | 22.77 |
| 1500 | 17.38 | 18.75 | 19.29 |
| 1530 | 17.38 | 18.75 | 19.29 |
| 1600 | 17.38 | 18.75 | 19.29 |
| 1630 | 17.38 | 18.75 | 19.29 |
| 1700 | 17.38 | 18.75 | 19.29 |
| 1730 | 17.38 | 18.75 | 19.29 |
| 1800 | 17.38 | 18.75 | 19.29 |
| 1830 | 16.08 | 18.75 | 19.29 |
| 1900 | 17.38 | 18.75 | 19.29 |
| 1930 | 17.38 | 18.75 | 19.29 |
| 2000 | 17.38 | 18.70 | 21.29 |
| 2030 | 17.38 | 18.70 | 21.30 |
| 2100 | 19.83 | 18.75 | 19.29 |
| 2130 | 19.83 | 18.75 | 19.29 |
| 2200 | 19.83 | 18.75 | 19.29 |
| 2230 | 19.72 | 18.70 | 21.30 |
| 2300 | 18.08 | 18.70 | 21.31 |
| 2330 | 15.89 | 18.75 | 19.36 |
| 2400 | 15.89 | 19.47 | 22.13 |

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited



## CHINA & EASTERN INVESTMENT COMPANY LIMITED

### EXPIRY OF THE SUBSCRIPTION RIGHTS OF THE 1991 WARRANTS

The Board of Directors of China & Eastern Investment Company Limited (the "Company") wishes to remind holders of the Company's registered warrants (the "1991 Warrants") that the subscription rights attached to the 1991 Warrants to subscribe for one Ordinary Share of US$0.50 of the Company at a subscription price of US$1 per share will expire on 30th September, 1991. After that date, except to the extent referred to below, any subscription rights which have not been exercised will lapse and the 1991 Warrants (and the relative certificates) will cease to be valid for any purpose.

Holders of the 1991 Warrants should note that, based on the market price of the Ordinary Shares of the Company as at the close of trading on the London Stock Exchange on 28th August, 1991 (the latest practicable date prior to the printing of this announcement) and the subscription price under the terms and conditions of the 1991 Warrants, the 1991 Warrants were "in the money" at such time.

Registered holders of 1991 Warrants who wish to exercise their subscription rights should complete and sign the Notices of Subscription on the reverse side of the relevant 1991 Warrant certificates (which shall be irrevocable) and lodge them together with remittances for the total subscription moneys with the Company's registrars, Central Registration Hong Kong Limited at 19th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong or with the London transfer agent, Barclays Registrars Limited, at Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU, United Kingdom not later than 4:00 p.m. on Monday, 30th September, 1991. Holders of 1991 Warrants who have not registered their holdings and who wish to exercise the subscription rights, should lodge the relevant 1991 Warrant certificates, the signed Notices of Subscription, duly completed forms of transfer and/or other documents of title (duly stamped where appropriate) and remittances for the relevant subscription moneys, with the Company's registrars or London transfer agent not later than the aforesaid time.

In accordance with the conditions of the 1991 Warrants the Company intends to appoint Cotton Nominees Limited to exercise the 1991 Warrants and to sell the Ordinary Shares acquired upon exercise in the circumstances referred to below. Provided it is satisfied that the net proceeds of sale after deduction of all costs and expenses incurred by it will exceed the costs of subscription, Cotton Nominees Limited will exercise such 1991 Warrants as have not been exercised by 4:00 p.m. on Monday, 30th September, 1991 within 21 days of 30th September, 1991 and will sell the Ordinary Shares in the market. Cotton Nominees Limited will distribute pro rata the proceeds of such sale, less the subscription and other costs and expenses incurred, to the persons entitled thereto as soon as practicable after such sale except that entitlements of less than US$2 will be retained for the benefit of the Company. If it is considered that the net proceeds of the sale of the Ordinary Shares will not cover the cost of subscription then no trustee will be appointed and the 1991 Warrants will lapse.

Any shares to be issued upon the exercise of any subscription rights will be allotted not later than 21 days after the relevant exercise date. Certificates in respect of such shares will be issued not later than 28 days after the exercise date.

The last day of trading the 1991 Warrants on The Stock Exchange of Hong Kong Limited and on the London Stock Exchange will be Thursday, 26th September, 1991. The listings of the 1991 Warrants will be withdrawn from both stock exchanges with effect from the close of business on Monday, 30th September, 1991.

By Order of the Board

D.A. LYLE
Managing Director

Hong Kong, 30th August, 1991

## INTERNATIONAL COMPANIES AND FINANCE

# TNT net loss of A$197m worse than expected

By Mark Westfield in Sydney

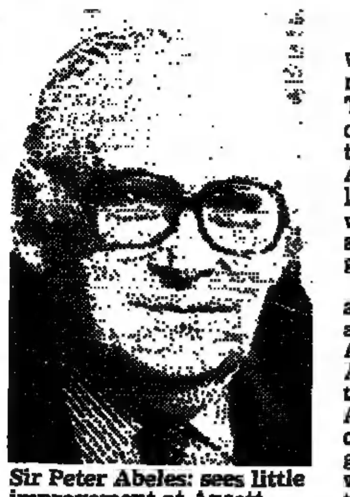
TNT, the Australian transport group, has announced an equity net loss of A$197.2m (US$154m) for the year to June 30. Last year the group recorded a profit of A$139.9m.

The latest figure includes its half share, with News Corporation, of Australian domestic airline Ansett Australia, which lost A$102m.

The net equity loss was even worse than the company's prediction of up to A$187m, made four weeks ago.

TNT's board, headed by Sir Peter Abeles, said yesterday they saw little improvement in Ansett's operating results in the short term, "notwithstanding increased market share of the record numbers of passengers now travelling due to substantially reduced yields resulting from deep fare discounting".

Elsewhere, TNT reported continuing losses in its Australian and Brazilian road transport operations and in the TNT Express Europe airfreight business which is being moved into a joint venture with five post offices in continental Europe and Canada. The earnings deterioration in these three businesses totals A$189m over the year, the company said.



Sir Peter Abeles: sees little improvement at Ansett

However, group revenue rose 7.9 per cent to A$5.1bn, due mainly to record revenues and earnings from TNT's Skypak group. This is being merged with Express Europe and placed into the European joint venture.

TNT's European domestic operations, mainly road transport, performed "creditably" in difficult economic conditions, with the UK and Italian businesses doing particularly well. The US road transport operations made "a steady pre-tax profit". Ansett Worldwide Aviation Services, the aircraft leasing arm, also jointly owned with News Corporation, made a "substantial" contribution to group results.

TNT's operating loss, before abnormal losses of A$133.12m and tax, amounted to A$42.6m. Abnormal losses included a A$110.9m write-down of "non-trading investments", a A$33.5m unrealised foreign currency loss and a A$3.5m goodwill write-off. The losses were offset by small profits on the sale of investments and income tax credit.

For the group, excluding equity associates, TNT suffered a loss of A$138.4m, against a profit the previous year of A$132.24m. Net interest expense rose to A$167.3m from A$136.1m.

The company will not pay a final quarter dividend, leaving the full-year payout at 7.5 cents, against 15 cents last year. TNT's share price fell 1 cent yesterday to 77 cents.

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# Coca-Cola bottler buys Johnston in share swap

By Nikki Tait in New York

COCA-COLA Enterprises, the largest bottler for the American soft-drinks company, is acquiring the Tennessee-based Johnston Coca-Cola Bottling Group in a share-swap deal.

Johnston is the oldest and biggest of Coca-Cola's independent bottlers in the US, and the deal continues the trend of consolidation among the soft-drinks giant's bottling operations.

The deal came as CCE warned that operating results in the latter half of 1991 were likely to be hit by "economic and competitive" conditions.

Operating cashflow, it predicted, will be about 10 per cent to 15 per cent below that of the previous year, while full-year earnings per share could slip to 30-35 cents, from 55 cents last time.

Under the merger, CCE will issue 30m new shares to the owners of Johnston, a privately-held company based in Chattanooga. With CCE stock down $⅝ at $14½ yesterday morning, this values the deal at $427.5m.

However, the purchaser will also take on almost $1bn-worth of debt at Johnston, which made a small after-tax loss in the last financial year to late October.

The deal will also dilute Coca-Cola's 49 per cent stake in CCE. Although the drinks company held a smaller 20 per cent interest in Johnston, its interest in the newly enlarged CCE will fall to around 43 per cent.

Yesterday, Coca-Cola said there was no intention of rebuilding the stake via market purchases.

Coca-Cola's own shares were $¼ lower at $65½ yesterday, in a generally easier market.

The deal will put around 55 per cent of Coca-Cola's bottling system in the US under one roof, and give the enlarged CCE sales of over $5bn in net revenues.

CCE handles about 43 per cent of the bottling, while Johnston has in excess of an 11 per cent share. CCE has been steadily increasing its share since its flotation in 1986, when it handled around 38 per cent.

The company said yesterday that its physical case sales in the year to October 27, 1990, totalled 129m, that net revenues were $967m, and operating cashflow amounted to $136m. However, net income showed a loss of $9.8m.

Johnston has been an active issuer of junk bonds in recent years – including one new issue of 10-year subordinated notes, through Salomon Brothers, in the wake of the junk bond market's recovery this year.

# Continental Bank to slash dividend

By Martin Dickson in New York

CONTINENTAL Bank, the Chicago-based group which had to be rescued by Federal authorities eight years ago, yesterday announced a 40 per cent dividend cut and plans for $175m of special third-quarter restructuring and loan loss charges which will plunge it into the red.

Continental, which has been slowly nursed back to health following its near collapse in 1984, portrayed the moves as the last stage of a strategy change which has seen it cut its workforce from around 10,000 in 1987 to just over 5,000 as it has focused increasingly on corporate banking.

However, analysts expressed concern about the quality of its loan portfolio and Moody's and Standard & Poor's, the rating agencies, placed the bank's debt and commercial paper under review for possible downgrading.

S&P said it was concerned "whether the company's current actions will be sufficient to allow it to effectively compete in the rapidly changing marketplace and to restore core profitability to an acceptable level". But it added that it expected any downgrading to leave the bank's senior debt rating at investment grade.

Continental's shares dropped $⅝ to stand at $12½ in lunch-time trading in New York.

Continental said the dividend was being cut from 25 cents a share to 15 cents to retain additional earnings. Some $25m of its special charge involve restructuring moves. It is resigning its position as a primary dealer in US Government securities. It also plans to concentrate its overseas activities in asset trading, risk management and distribution, mainly in London and Tokyo.

Earlier this week it announced the closure of its Singapore office. The moves will cut its staff by around 5 per cent, or 300 people. The resignation of the primary dealership comes just two weeks after scandal enveloped the Treasury market, with revelations that Salomon Brothers had been rigging the auction system. However, Continental said its move was unrelated to this and had been planned for some time.

In common with many other dealers, Continental is thought to have been making no money in the Treasury market, where margins are extremely tight. Some 11 other firms have resigned their dealerships since 1988. Continental had kept its position because it felt this assisted its efforts to be allowed to underwrite issues of securities – a privilege enjoyed by few banks. However, it said yesterday it felt that pending changes in bank legislation now made this unnecessary.

Some $150m of the special charge will be to boost the bank's provisions against credit losses, particularly in the area of residential property lending. Until now, Continental's real estate portfolio had been regarded as in relatively good shape, although analysts had been concerned about its above-average exposure to the highly leveraged transaction (HLT) corporate loan market.

The bank said its actions would boost its reserves for loan losses to about $475m, or 3.3 per cent of outstandings, compared to $328m, or 2.29 per cent at the end of the second quarter. It added that, excluding the special provision, its third-quarter revenues and operating expenses should be in line with those of the previous four quarters.

# Two Japanese regional banks propose to merge

By Stefan Wagstyl in Tokyo

TWO JAPANESE regional banks yesterday revealed plans to merge in the latest consolidation in the Japanese banking industry.

Kumamoto Bank and Higo Family Bank, both based in the Kumamoto prefecture in southern Japan, said they were joining forces to combat the growing pressures of competition sparked by deregulation.

The merger, due to be completed next March, will create a bank ranked 19th among second-tier regional banks and with assets of around Y1,000bn ($7.29bn) It will be called Kumamoto Family Bank.

They are the first of the second-tier regional banks to announce merger plans and the move indicates that larger institutions are shedding their traditional inhibitions about losing their identities.

Japan's 67 second-tier regional banks rank below 64 first-tier regional banks but above hundreds of smaller institutions of which the most significant are *shinkin* banks.

With the exception of the occasional rescue, mergers have only involved *shinkin* banks and other smaller finance houses. The merger of Kumamoto and Higo Family is likely to set a precedent for other regional institutions.

Mr Ryutaro Hashimoto, the Japanese finance minister, welcomed the merger.

Kumamoto ranks 41st among second-tier regional banks with deposits averaging about Y540bn during the year ended last March. Higo ranked 47th and had deposits averaging about Y490bn.

# Bundesbank sets terms of interwar loans repayment

By Katharine Campbell in Frankfurt

THE BUNDESBANK yesterday disclosed the terms under which the German government will begin repaying debts accumulated on interwar loans that have fallen due as a result of unification. The accumulated back interest amounts to around DM250m ($142.8m)

At the 1953 London debt agreement between west Germany and the western allies, a moratorium on some interest payments was agreed on the grounds that the German Democratic Republic should be responsible for part of the debt accrued before the division of the two countries.

The accord stipulated that this portion of past interest would be paid back when and if Germany were finally reunited.

From the middle of September the Bundesbank will begin exchanging the historic paper for so-called consolidation bonds (*fundierungsschuldverschreibungen*).

The bonds in question include the Dawes, Young and Kreuger debt, issued in the interwar years – the first two as part of the First World War reparations – on which interest was not serviced between 1945 and 1952.

Investors will receive new bonds carrying a 20-year maturity, and paying a six-monthly interest coupon of 3 per cent. They are backdated to October 3 1990, the date of unification. The principal is to be redeemed a five years.

The paper will be issued in 15 tranches, all listed – and hence tradeable – on the official Frankfurt stock exchange.

# Asko lifts first-half profit 66%

By Katharine Campbell in Frankfurt

ASKO, the fast growing diversified German retailer, increased net profits by 66 per cent to DM75m ($42.8m) in the first half of this year.

Sales advanced by 61 per cent to around DM9bn. Excluding Co op, the troubled store chain part of which ASKO acquired last year, sales increased by 18 per cent.

Asko has been expanding fast, including into east Germany, with its discount furniture and building materials stores doing particularly well.

The rapid pace of growth will necessitate a rights issue, probably next year, although the new chief executive Mr Klaus Wiegandt did not give further details.

In an unusual move, Mr Wiegandt told shareholders at the annual meeting that next year he would propose the removal of the 5 per cent voting restriction, which limits any investor group to 5 per cent of the vote, regardless of the size of the shareholding.

Mr Wiegandt said such a move was consistent with the company's "policy of friendliness towards shareholders".

Voting right restrictions exist at a number of major German companies with the aim of deterring unfriendly takeovers. While they have proved a controversial and not very effective mechanism, Asko is one of the first companies apparently to volunteer lifting the restriction.

Mr Wiegandt also revealed that the Swiss businessman Mr Klaus Jacobs had recently accumulated a 5 per cent stake in ASKO, which Mr Wiegandt characterised as "cementing a new alliance".

# Sweden plans to tighten rules on lending

By John Burton in Stockholm

THE SWEDISH government is planning to tighten regulations on lending because of the growing credit losses at the country's financial institutions.

The decision, following a year-long investigation, coincides with the collapse this week of the corporate empire controlled by Mr Erik Penser, the Swedish financier, after his finance company Gamlestaden ran up huge losses.

Several big independent Swedish finance companies have collapsed in the past year as property loans totalling SKr6bn ($949m) went sour as a result of the recession.

The government is proposing stricter collateral conditions for loans. Bank deposit guarantees would be strengthened to conform to EC standards, while financial authorities would have greater powers to examine the creditworthiness of borrowers.

Mr Kurt Malmgren, a former ambassador who conducted the government study, said the banks, which lost SKr11bn last year from finance company crashes, were partly to blame for the situation.

"They did not analyse sufficiently the position of the finance companies," he explained. "Loan were given in many cases to finance companies that lacked a credit rating."

Mr Malmgren said a credit rating should be mandatory in the future for a company which wants to borrow money.

Although he also criticised the Swedish Bank Inspection Board for responding too late to the crisis, he added that it lacked the resources and power to supervise the finance companies.

Meanwhile, Standard & Poor's announced it would maintain its A-1+ credit rating for Nordbanken, Mr Penser's largest creditor, since its new SKr5bn share issue should offset any losses the bank might incur with its takeover of the Penser companies Nobel Industries and Yggdrasil.

The Penser crisis has provoked worries that other finance companies may be close to collapse due to bad property loans.

Bilspedition, the Swedish transport group, yesterday sold, at a loss, more of its shares in the finance company Independent, reducing its stake to under 10 per cent.

Swedish banks were also negotiating a rescue package for the property company Barkman, which has estimated debts of SKr7bn, in return for the sale of property and share assets.

Barkman is controlled by Mr Sven-Olof Johnsson, who staged a highly-publicised greenmail raid against Saab-Scania last year.

# Siemens sells stake in AMD

By Louise Kehoe in San Francisco

SIEMENS, the German electrical engineering and electronics group, has sold its 9.9 per cent shareholding in Advanced Micro Devices, the US semiconductor manufacturer.

Siemens said the timing of the sale, coming a day after AMD filed a $2bn anti-trust law suit against rival chipmaker Intel, was purely coincidental.

Sale of the 8.2m block of shares, priced at approximately $100m, was handled by Goldman Sachs. The shares were bought by a broad group of individual and institutional investors.

Siemens acquired its stake in AMD in 1977 when the two companies were planning joint ventures in circuit board manufacturing.

Siemens said that when the joint ventures fell apart, Siemens decided to retain its shareholding as an investment. "Now there is no business reason to continue to hold the stock," the company added.

AMD said Siemens remained one of its largest customers and the German company was expected to place orders for AMD's new 386 microprocessor, the chip at the centre of AMD's disputes with Intel.

In a lawsuit filed in California on Thursday, AMD charged that Intel had attempted to limit competition in the microprocessor market by keeping AMD out of the business.

AMD also charged that Intel tied sales of 386 microprocessors, which have been in short supply, to purchases of other Intel products.

In addition, AMD alleged that Intel conspired with other computer makers and component distributors to persuade them to refuse to buy from AMD. Intel dismissed the suit as "ridiculous".

## WORLD COMMODITIES PRICES

| WEEKLY PRICE CHANGES | Latest prices | Change on week | Year ago | High 1991 | Low 1991 |
|---|---|---|---|---|---|
| Gold per troy oz. | $348.05 | -5.80 | $385.25 | $392.25 | $353.55 |
| Silver Per troy oz | 228.15p | -3.16 | 254.30p | 280.55 | 183.35p |
| Aluminium 99.7% (cash) | $1255.5 | +4.5 | $1862 | $1570 | $1227 |
| Copper Grade A (cash) | £1357 | +28 | £1556 | £1472 | £1241.0 |
| Lead(cash) | £319.50 | +2 | £462 | £382.5 | £292.5 |
| Nickel (cash) | $7945 | -95 | $11375 | $9237.5 | $8040 |
| Zinc SHG (cash) | $1022.5 | -10 | $1642.5 | $1430 | $1039 |
| Tin (cash) | $5592.5 | -32.5 | $5862.5 | $5915 | $5470 |
| Cocoa Futures (Dec) | £700 | +11 | £775 | £714 | £598 |
| Coffee Futures (Nov) | £554 | +14 | £807 | £613 | £520 |
| Sugar (LDP Raw) | $230.5 | -12 | $276 | $293 | $194 |
| Barley Futures (Nov) | £116.55 | +3.15 | £113.55 | £121.50 | £107.75 |
| Wheat Futures (Nov) | £113.55 | +0.40 | £115.25 | £141.10 | £111.80 |
| Cotton Outlook A Index | 71.30c | -0.65 | 81.90c | 86.25c | 71.20c |
| Wool (64s Super) | 362p | -3 | 437p | 421p | 329p |
| Oil (Brent Blend) | $20.525x | +0.65 | $26.60 | $29.15 | $16.75 |

Per tonne unless otherwise stated. †Unquoted p-pence/kg. c-cents lb x-Oct.

## London Markets

**SPOT MARKETS**

| Crude oil (per barrel FOB) | | + or - |
|---|---|---|
| Dubai | $17.35-7.45z | +0.45 |
| Brent Blend (dated) | $20.45-0.55 | +0.25 |
| Brent Blend (Oct) | $20.50-0.55 | +0.30 |
| W.T.I. (1 pm est) | $22.20-2.25z | +0.35 |
| **Oil products** (NWE prompt delivery per tonne CIF) | | + or - |
| Premium Gasoline | $241-243 | |
| Gas Oil | $196-198 | +1 |
| Heavy Fuel Oil | $72-74 | +1 |
| Naphtha | $216-218 | +2 |
| Petroleum Argus Estimates | | |
| **Other** | | + or - |
| Gold (per troy oz)♣ | $348.05 | -3.9 |
| Silver (per troy oz)♣ | 385.5c | -3.0 |
| Platinum (per troy oz) | $335.0 | -3.75 |
| Palladium (per troy oz) | $80.75 | -1.50 |
| Copper (US Producer) | 108c | |
| Lead (US Producer) | 36.0c | |
| Tin (Kuala Lumpur market) | 15.13r | -0.02 |
| Tin (New York) | 260.0c | |
| Zinc (US Prime Western) | 62.0c | |
| Cattle (live weight)† | 105.26p | -0.41* |
| Sheep (dead weight)† | 121.52p | -3.01* |
| Pigs (live weight)† | 63.31p | -3.05* |
| London daily sugar (raw) | $230.5q | -6 |
| London daily sugar (white) | $287.5 | -7 |
| Tate and Lyle export price | £245.5 | -3.5 |
| Barley (English feed) | £112.5 | +2 |
| Maize (US No 3 yellow) | £180 | |
| Wheat (US Dark Northern) | £101.5 | |
| Rubber (Oct)♥ | 52.75p | |
| Rubber (Nov)♥ | 53.25p | |
| Rubber (KL RSS No 1 Sep) | 226.50 | |
| Coconut oil (Philippines)§ | $435.0y | +10 |
| Palm Oil (Malaysian)§ | $317.5t | +7.5 |
| Copra (Philippines)§ | $290 j | |
| Soyabeans (US) | £155.5 | |
| Cotton "A" index | 71.30c | |
| Wooltops (64s Super) | 362p | |

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb r-ringgit/kg. q-Sep/Oct t-Oct/Dec u-Sep v-Jul/Aug y-Aug/Sep z-Oct j-Oct/Nov. †Meat Commission average fatstock prices * change from a week ago. ♥London physical market §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg

**SUGAR – London FOX** ($ per tonne)

| Raw | Close | Previous | High/Low |
|---|---|---|---|
| Oct | 200.00 | 197.80 | 200.20 196.00 |
| Dec | 190.40 | 184.00 | 182.00 |
| Mar | 186.40 | 183.00 | 185.60 181.00 |
| May | 184.80 | 184.80 | 184.40 183.60 |
| **White** | **Close** | **Previous** | **High/Low** |
| Oct | 286.2 | 280.0 | 280.0 275.0 |
| Dec | 282.2 | 274.5 | 274.5 274.5 |
| Mar | 279.7 | 272.0 | 274.0 271.0 |
| May | 278.5 | 271.0 | 274.2 271.2 |
| Aug | 277.6 | 270.0 | 273.2 270.4 |
| Oct | 258.1 | 252.0 | 253.2 251.4 |

Turnover: Raw 492 (733) lots of 50 tonnes. White 428 (1240)
Paris- White (FFr per tonne): Oct 1657.

**CRUDE OIL – IPE** $/barrel

| | Latest | Previous | High/Low |
|---|---|---|---|
| Oct | 20.50 | 20.32 | 20.58 20.35 |
| Nov | 20.49 | 20.27 | 20.51 20.35 |
| Dec | 20.39 | 20.25 | 20.40 20.27 |
| Jan | 20.24 | 20.10 | 20.28 20.22 |
| IPE Index | 20.22 | 20.03 | 20.22 |

Turnover 10683 (9872)

**GAS OIL – IPE** $/tonne

| | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 198.25 | 197.25 | 199.75 197.50 |
| Oct | 200.00 | 199.00 | 201.25 199.25 |
| Nov | 201.50 | 200.75 | 203.00 200.75 |
| Dec | 201.50 | 200.75 | 203.25 200.75 |
| Jan | 199.00 | 198.00 | 200.50 198.75 |
| Feb | 192.50 | 190.75 | 192.75 192.00 |
| Mar | 183.50 | 183.75 | 185.00 183.50 |
| Apr | 180.25 | 180.75 | 180.25 |
| May | 178.00 | 175.00 | 178.00 |

Turnover 10122 (12575)lots of 100 tonnes

**SPICES**
Cassia market steady, reports Man-producten. Large premiums are paid for spot and afloat parcels. Origins have sold out their nearby production capacities. Ka/va spot $2,200 a tonne, shipment $2,250; Kb spot $1,500, shipment $1,365; Madagascar $900. Ginger - spot Rotterdam Nigeria unsold at $650. China and India unchanged. Pimento market steady due to delayed and smaller crop in Mexico. Nutmegs unchanged. White pepper steady due nervous short covering; black pepper sellers more reluctant this week.

**COCOA – London FOX** £/tonne

| | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 657 | 637 | 659 640 |
| Dec | 700 | 681 | 702 681 |
| Mar | 737 | 717 | 738 719 |
| May | 757 | 736 | 757 738 |
| Jul | 777 | 756 | 776 763 |
| Sep | 797 | 776 | 795 782 |
| Dec | 821 | 801 | 820 807 |
| Mar | 846 | 826 | 846 832 |
| | 864 | | 861 850 |

Turnover: 7071 (6093) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Aug 29 851.74 (862.83) 10 day average for Aug 29 853.93 (857.68)

**COFFEE – London FOX** £/tonne

| | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 525 | 523 | 528 520 |
| Nov | 554 | 550 | 558 547 |
| Jan | 576 | 574 | 578 569 |
| Mar | 592 | 590 | 596 590 |

Turnover:8025 (5185) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Aug 28 : Comp. daily 85.65 (85.23) 15 day average 83.01 (82.82)

**POTATOES – London FOX** £/tonne

| | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 85.0 | | 75.0 75.0 |
| Apr | 118.0 | 116.2 | 118.5 117.5 |

Turnover 129 (153) lots of 20 tonnes.

**SOYAMEAL – London FOX** £/tonne

| | Close | Previous | High/Low |
|---|---|---|---|
| Oct | 132.00 | 131.00 | 132.00 |
| Dec | 137.00 | 137.00 | 137.00 136.00 |

Turnover 65 (50) lots of 20 tonnes.

**FREIGHT – London FOX** $10/index point

| | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 1645 | 1634 | 1645 1630 |
| Oct | 1716 | 1695 | 1716 1695 |
| Jan | 1716 | 1703 | 1720 1715 |
| Apr | 1713 | 1703 | 1710 |
| Jul | 1478 | 1480 | 1480 |
| BFI | 1645 | 1553 | |

Turnover 126 (208)

**GRAINS – London FOX** £/tonne

| Wheat | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 113.10 | 113.50 | 113.00 |
| Nov | 116.55 | 117.15 | 117.00 116.50 |
| Jan | 120.00 | | 120.20 120.00 |
| Mar | 123.65 | 123.95 | 123.65 |
| May | 126.35 | 126.75 | 126.35 126.25 |
| **Barley** | **Close** | **Previous** | **High/Low** |
| Sep | 110.35 | 110.25 | 110.25 |
| Nov | 113.55 | 113.90 | 113.65 113.50 |

Turnover: Wheat 206 (383), Barley 39 (64).
Turnover lots of 100 tonnes.

**PIGS – London FOX** (Cash Settlement) p/kg

| | Close | Previous | High/Low |
|---|---|---|---|
| Sep | 91.0 | 90.8 | 90.0 |
| Oct | 100.5 | 100.5 | 100.5 100.0 |
| Nov | 104.5 | 103.6 | 104.5 104.0 |
| Jan | 105.0 | | 104.5 104.0 |

Turnover:80 (63) lots of 3,250 kg

**MGMI – London FOX**

| | Close | Prev. | High | Low | Vol |
|---|---|---|---|---|---|
| Indx | 137.21 | 137.82 | | | |
| Sep | 138.00 | 138.10 | 138.00 | 137.40 | 85 |
| Oct | 138.60 | 138.90 | 138.60 | 138.30 | 65 |
| Nov | 139.10 | 138.70 | 139.10 | 138.70 | 70 |
| Dec | 139.40 | 138.70 | 139.40 | 138.50 | 70 |

**LONDON METAL EXCHANGE** (Prices supplied by Amalgamated Metal Trading)

| | Close | Previous | High/Low | AM Official | Kerb close | Open interest |
|---|---|---|---|---|---|---|
| **Aluminium, 99.7% purity ($ per tonne)** | | | | | | Total daily turnover 10,401 lots |
| Cash | 1255-56 | 1256-7 | 1259 | 1253-4 | | |
| 3 months | 1284-5 | 1289-90 | 1286-1280 | 1282-3 | 1283-4 | 104,428 lots |
| **Copper, Grade A (£ per tonne)** | | | | | | Total daily turnover 16,896 lots |
| Cash | 1366.5-7.5 | 1356-7 | 1355/1348 | 1345-6 | | |
| 3 months | 1366-67 | 1356-8 | 1365/1355 | 1355-5.5 | 1364-5 | 121,402 lots |
| **Lead (£ per tonne)** | | | | | | Total daily turnover 703 lots |
| Cash | 319-20 | 315-6 | | 317.50-5.75 | | |
| 3 months | 331-2 | 327.5-8.0 | 332.5/330.0 | 330.25-0.50 | 330-2 | 14,996 lots |
| **Nickel ($ per tonne)** | | | | | | Total daily turnover 2,886 lots |
| Cash | 7940-50 | 7860-70 | | 7890-900 | | |
| 3 months | 7960-80 | 7915-20 | 8050/7900 | 7920-30 | 7985-90 | 14,767 lots |
| **Tin ($ per tonne)** | | | | | | Total daily turnover 362 lots |
| Cash | 5590-95 | 5580-90 | | 5585-90 | | |
| 3 months | 5665-70 | 5655-65 | 5670/5650 | 5660-65 | 5665-70 | 7,258 lots |
| **Zinc, Special High Grade ($ per tonne)** | | | | | | Total daily turnover 4,365 lots |
| Cash | 1022-23 | 1019-20 | 1023/1017 | 1017-7.5 | | |
| 3 months | 1036-38 | 1035-7 | 1041/1032.5 | 1032.5-3.0 | 1041-1 | 35,645 lots |

LME Closing £/$ rate:
SPOT: 1.6810 3 months: 1.6600 6 months: 1.6446 9 months: 1.6285

**LONDON BULLION MARKET**
(Prices supplied by N.M.Rothschild)

| Gold (fine oz) | $ price | £ equivalent |
|---|---|---|
| Close | 347.80-348.30 | |
| Opening | 348.80-349.20 | |
| Morning fix | 347.00 | 205.691 |
| Afternoon fix | 347.40 | 207.156 |
| Day's high | 349.00-349.40 | |
| Day's low | 345.70-346.10 | |

| Loco Ldn Mean Gold Lending Rates (Vs US$) | | | |
|---|---|---|---|
| 1 month | 5.21 | 6 months | 4.97 |
| 2 months | 5.12 | 12 months | 4.98 |
| 3 months | 5.02 | | |

| Silver fix | p/fine oz | US cts equiv |
|---|---|---|
| Spot | 228.15 | 381.50 |
| 3 months | 232.10 | 386.70 |
| 6 months | 237.90 | 392.20 |
| 12 months | 250.35 | 404.75 |

**GOLD COINS**
(Prices supplied by Engelhard Metals)

| | $ price | £ equivalent |
|---|---|---|
| Krugerrand | 348.00-349.00 | 207.50-208.00 |
| Maple leaf | 358.00-359.00 | 213.50-214.00 |
| New Sovereign | 83.00-84.00 | 49.50-50.00 |

**TRADED OPTIONS**

| Coffee | Nov | Jan | Nov | Jan |
|---|---|---|---|---|
| 500 | 55 | 79 | 2 | 3 |
| 550 | 19 | 14 | 16 | 15 |
| 600 | 4 | 17 | 51 | 41 |
| **Cocoa** | **Dec** | **Mar** | **Dec** | **Mar** |
| 675 | 53 | 67 | 29 | 92 |
| 700 | 40 | 77 | 41 | 40 |
| 725 | 31 | 64 | 57 | 52 |
| **Brent Crude** | **Oct** | **Nov** | **Oct** | **Nov** |
| 2050 | 22 | 86 | 23 | 56 |
| 2100 | 6 | 32 | | |
| 2150 | | 18 | | |

## New York

**GOLD** 100 troy oz.; $/troy oz.

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 348.1 | 350.9 | 0 | 0 |
| Oct | 348.6 | 352.4 | 348.8 | 348.5 |
| Nov | 351.3 | 354.1 | 0 | 0 |
| Dec | 352.9 | 355.7 | 353.0 | 350.1 |
| Feb | 356.0 | 358.7 | 355.6 | 353.5 |
| Apr | 359.0 | 361.6 | 359.0 | 355.0 |
| Jun | 362.1 | 364.7 | 361.2 | 361.0 |
| Aug | 365.3 | 367.8 | 362.0 | 362.0 |
| Oct | 368.4 | 370.8 | 367.8 | 367.8 |

**PLATINUM** 50 troy oz; $/troy oz.

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Oct | 338.8 | 339.0 | 340.0 | 334.8 |
| Jan | 344.2 | 343.4 | 345.0 | 339.0 |
| Apr | 347.8 | 347.1 | 345.5 | 345.0 |
| Jul | 351.8 | 351.1 | 348.5 | 348.5 |
| Oct | 355.9 | 355.1 | 0 | 0 |

**SILVER** 5,000 troy oz; cents/troy oz.

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 380.7 | 382.2 | 383.0 | 378.5 |
| Oct | 382.4 | 383.9 | 0 | 0 |
| Nov | 384.5 | 386.0 | 0 | 0 |
| Dec | 387.0 | 388.5 | 389.5 | 384.5 |
| Jan | 388.4 | 389.8 | 391.0 | 391.0 |
| Mar | 393.5 | 395.0 | 396.5 | 391.5 |
| May | 398.0 | 399.4 | 400.0 | 398.5 |
| Jul | 402.3 | 403.7 | 403.5 | 400.0 |
| Sep | 407.0 | 408.3 | 408.0 | 408.0 |
| Dec | 414.3 | 415.5 | 416.0 | 414.5 |

**HIGH GRADE COPPER** 25,000 lbs; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 104.30 | 103.70 | 104.50 | 103.40 |
| Oct | 103.75 | 103.30 | 103.90 | 103.10 |
| Nov | 103.45 | 103.10 | 103.55 | 103.65 |
| Dec | 103.15 | 102.85 | 103.50 | 102.30 |
| Jan | 102.45 | 102.20 | 0 | 0 |
| Feb | 101.95 | 101.55 | 0 | 0 |
| Mar | 101.30 | 100.95 | 101.50 | 100.60 |
| Apr | 100.75 | 100.40 | 0 | 0 |
| May | 100.20 | 99.85 | 100.50 | 99.60 |
| Jun | 99.75 | 99.40 | 99.25 | 99.25 |

**CRUDE OIL (Light)** 42,000 US galls $/barrel

| | Latest | Previous | High/Low | |
|---|---|---|---|---|
| Oct | 22.19 | 21.87 | 22.24 | 22.06 |
| Dec | 21.93 | 21.76 | 21.94 | 21.82 |
| Jan | 21.77 | 21.64 | 21.80 | 21.69 |
| Feb | 21.64 | 21.51 | 21.64 | 21.56 |
| Mar | 21.42 | 21.35 | 21.42 | 21.40 |
| Apr | 21.30 | 21.21 | 21.31 | 21.29 |
| Jun | 21.10 | 20.99 | 21.10 | 20.98 |
| Jul | 21.00 | 20.91 | 20.95 | 20.90 |

**HEATING OIL** 42,000 US galls, cents/US galls

| | Latest | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 6390 | 6319 | 6400 | 6360 |
| Oct | 6455 | 6407 | 6480 | 6435 |
| Dec | 6630 | 6579 | 6650 | 6610 |
| Jan | 6626 | 6594 | 6655 | 6615 |
| Feb | 6460 | 6434 | 6500 | 6450 |
| Mar | 6210 | 6174 | 6235 | 6200 |
| Apr | 5985 | 5954 | 5995 | 5965 |
| Jun | 5646 | 5870 | 5725 | 5595 |

**COCOA** 10 tonnes;$/tonnes

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 1036 | 1019 | 1045 | 1036 |
| Dec | 1091 | 1067 | 1107 | 1077 |
| Mar | 1140 | 1116 | 1154 | 1128 |
| May | 1167 | 1145 | 1180 | 1163 |
| Jul | 1193 | 1173 | 1195 | 1195 |
| Sep | 1216 | 1195 | 0 | 0 |
| Dec | 1248 | 1225 | 0 | 0 |
| Mar | 1283 | 1258 | 0 | 0 |
| May | 1306 | 1280 | 0 | 0 |
| Jul | 1333 | 1316 | 0 | 0 |

**COFFEE "C"** 37,500lbs; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 85.65 | 85.10 | 86.15 | 85.00 |
| Dec | 89.00 | 88.20 | 89.60 | 88.20 |
| Mar | 92.10 | 91.65 | 92.85 | 91.60 |
| May | 94.40 | 94.15 | 95.10 | 94.10 |
| Jul | 96.95 | 96.50 | 96.50 | 96.15 |
| Sep | 98.30 | 98.00 | 99.00 | 98.75 |
| Dec | 102.40 | 102.65 | 0 | 0 |

**SUGAR WORLD "11"** 112,000 lbs; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Oct | 8.83 | 8.73 | 8.85 | 8.65 |
| Mar | 8.35 | 8.27 | 8.55 | 8.23 |
| May | 8.31 | 8.21 | 8.31 | 8.20 |
| Jul | 8.35 | 8.22 | 8.36 | 8.20 |
| Oct | 8.33 | 8.25 | 8.30 | 8.22 |

**COTTON** 50,000; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Oct | 65.50 | 66.30 | 65.84 | 65.00 |
| Dec | 66.06 | 67.05 | 66.10 | 65.37 |
| Mar | 67.15 | 67.56 | 67.16 | 66.45 |
| May | 67.75 | 67.05 | 67.80 | 67.10 |
| Jul | 68.10 | 67.02 | 68.40 | 67.75 |
| Oct | 67.30 | 0 | 0 | 0 |

**ORANGE JUICE** 15,000 lbs; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 119.50 | 120.50 | 120.25 | 119.00 |
| Nov | 119.35 | 119.30 | 119.75 | 119.00 |
| Jan | 117.30 | 117.70 | 118.00 | 117.25 |
| Mar | 118.80 | 118.50 | 118.90 | 118.10 |
| May | 119.45 | 119.25 | 119.00 | 118.80 |
| Jul | 119.45 | 119.25 | 119.45 | 119.45 |
| Sep | 119.45 | 119.25 | 0 | 0 |
| Nov | 119.45 | 119.25 | 0 | 0 |
| Jan | 119.45 | 119.25 | 0 | 0 |

**INDICES**

REUTERS (Base: September 18 1931 = 100)

| Aug.30 | Aug.29 | mnth ago | yr ago |
|---|---|---|---|
| 1657.1 | 1655.1 | 1706.3 | 1808.8 |

DOW JONES (Base: Dec. 31 1974 = 100)

| | Aug.29 | Aug.28 | mnth ago | yr ago |
|---|---|---|---|---|
| Spot | 117.26 | 117.86 | 120.84 | 130.79 |
| Futures | 121.81 | 122.25 | 129.71 | 133.23 |

## Chicago

**SOYABEANS** 5,000 bu min; cents/60lb bushel

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 579/2 | 588/4 | 580/0 | 571/0 |
| Nov | 590/4 | 582/4 | 591/0 | 583/2 |
| Jan | 600/6 | 592/6 | 601/0 | 594/0 |
| Mar | 611/0 | 603/4 | 611/4 | 604/4 |
| May | 617/4 | 610/0 | 618/0 | 612/4 |
| Jul | 620/4 | 614/4 | 621/4 | 617/0 |
| Aug | 615/4 | 611/0 | 616/0 | 613/0 |
| Sep | 591/0 | 591/0 | 593/0 | 591/0 |
| Nov | 586/4 | 585/4 | 590/0 | 585/0 |

**SOYABEAN OIL** 60,000 lbs; cents/lb

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 20.17 | 19.83 | 20.32 | 19.86 |
| Oct | 20.22 | 19.97 | 20.44 | 20.01 |
| Dec | 20.56 | 20.35 | 20.80 | 20.36 |
| Jan | 20.73 | 20.55 | 20.96 | 20.58 |
| Mar | 21.07 | 20.86 | 21.32 | 20.92 |
| May | 21.32 | 21.00 | 21.55 | 21.28 |
| Jul | 21.57 | 21.32 | 21.70 | 21.50 |
| Aug | 21.62 | 21.35 | 0 | 0 |
| Sep | 21.57 | 21.35 | 0 | 0 |
| Oct | 21.57 | 21.35 | 0 | 0 |

**SOYABEAN MEAL** 100 tons; $/ton

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 190.0 | 186.5 | 190.5 | 187.3 |
| Oct | 188.2 | 184.9 | 188.5 | 185.0 |
| Dec | 186.7 | 183.4 | 187.2 | 183.8 |
| Jan | 185.5 | 182.4 | 185.5 | 182.9 |
| Mar | 184.1 | 182.1 | 184.5 | 182.0 |
| May | 183.7 | 181.7 | 184.0 | 181.0 |
| Jul | 183.5 | 180.7 | 184.0 | 180.0 |
| Aug | 182.0 | 179.7 | 182.0 | 182.0 |
| Sep | 183.0 | 179.2 | 183.0 | 183.0 |

**MAIZE** 5,000 bu min; cents/56lb bushel

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 249/0 | 247/0 | 249/4 | 248/2 |
| Dec | 254/6 | 252/4 | 255/0 | 253/0 |
| Mar | 262/2 | 260/0 | 262/4 | 260/0 |
| May | 266/4 | 264/0 | 266/4 | 264/2 |
| Jul | 268/6 | 266/0 | 268/6 | 266/2 |
| Sep | 254/0 | 254/0 | 254/6 | 254/0 |
| Dec | 250/6 | 250/2 | 251/0 | 249/6 |

**WHEAT** 5,000 bu min; cents/60lb-bushel

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Sep | 310/4 | 304/4 | 311/4 | 305/6 |
| Dec | 321/0 | 317/6 | 321/4 | 317/0 |
| Mar | 324/4 | 321/6 | 324/4 | 321/2 |
| May | 315/4 | 314/0 | 316/4 | 315/0 |
| Jul | 306/0 | 305/2 | 308/2 | 306/0 |
| Sep | 316/0 | 313/0 | 315/0 | 314/0 |

**LIVE CATTLE** 40,000 lbs; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Oct | 70.05 | 69.70 | 70.10 | 69.37 |
| Dec | 73.40 | 73.02 | 73.45 | 72.72 |
| Feb | 72.22 | 71.95 | 72.35 | 71.70 |
| Apr | 73.02 | 72.87 | 73.15 | 72.75 |
| Jun | 71.10 | 70.85 | 71.10 | 70.60 |
| Aug | 69.70 | 69.50 | 69.70 | 69.42 |

**LIVE HOGS** 30,000 lb; cents/lbs

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Oct | 44.17 | 43.77 | 44.25 | 43.50 |
| Dec | 43.77 | 43.60 | 43.95 | 43.45 |
| Feb | 43.47 | 43.40 | 43.55 | 43.25 |
| Apr | 41.97 | 41.95 | 42.10 | 41.92 |
| Jun | 46.15 | 46.17 | 46.15 | 46.15 |
| Jul | 46.07 | 46.07 | 0 | 46.05 |
| Aug | 44.65 | 44.65 | 0 | 0 |

**PORK BELLIES** 40,000 lbs; cents/lb

| | Close | Previous | High/Low | |
|---|---|---|---|---|
| Feb | 48.12 | 47.62 | 48.30 | 47.25 |
| Mar | 47.80 | 47.22 | 47.90 | 46.95 |
| May | 48.70 | 48.00 | 48.70 | 47.75 |
| Jul | 48.30 | 48.20 | 48.50 | 48.00 |
| Aug | 45.10 | 45.10 | 45.35 | 0 |

# CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

# Dollar up on strong US data

THE DOLLAR showed small mixed changes, but was generally firmer against European currencies after fairly strong US economic data.

July leading indicators rose 1.2 per cent, compared with forecasts of around 0.8 per cent, and against a revised increase of 0.6 per cent in June. This was the sixth consecutive monthly rise, boosted by a climb in orders for manufactured goods. Leading indicators [illegible] of various [illegible] nomic activities designed [illegible] indicate direction six to nine months in advance. Eight of 11 indicators rose in July ,with only three negative.

Factory orders in July were also stronger than expected, rising 6.2 per cent, against estimates of 5.7 per cent, and after a fall of 1.2 per cent in June.

The Chicago purchasing managers index, an early guide to next Tuesday's National Association of Purchasing Managers index, rose to 54.7 from 48.0 per cent in July.

Initial [illegible] data was [illegible] buy dollars, [illegible] it failed to [illegible] a [illegible] above DM1.7500 light selling developed, leaving the [illegible] only slightly higher on the day.

At the London close it had improved [illegible] DM1.7485 from DM1.7460; to [illegible] from SFr1.5255; and [illegible] FFr5.9375 from FFr5.9250, but [illegible] fell to Y136.85 from Y137.00. On Bank of England figures the dollar's index rose to 66.7 from 66.4.

The D-Mark weakened against the dollar, but [illegible] steady in the middle of the European exchange rate mechanism, showing no reaction to proposals for the introduction of a 35 per cent German withholding tax by Mr Franz Klein, president of the German Federal Accountant Office.

He said the scheme was based on a model from Switzerland, using a combination of withholding tax and exemption of income and asset [illegible] It would not require banks [illegible] report financial [illegible] and should not lead [illegible] a flight of capital from Germany.

Sterling [illegible] virtually unmoved in [illegible] ERM, remaining the third weakest [illegible], and generally moving [illegible] line with its European partners.

The pound eased 5 points to [illegible] and to Y230.00 from Y230.25, while climbing [illegible] DM2.[illegible] from DM2.9350; to [illegible] from FFr9.9625; and to SFr2.5675 from SFr2.5650. Its index fell 0.2 to 90.5.

The French franc remained bottom of the ERM, and had a weak [illegible] on speculation about a possible cut in official interest rates next month. It lost ground to the D-Mark at the Paris fixing.

The Canadian dollar was weaker after a rise of 1.2 per cent in Canadian second quarter gross domestic product. The rise compared with a first quarter fall of 1.2 per cent, but was in line with expectations and encouraged [illegible] market holding long positions to take profits.

### £ IN NEW YORK

| Aug.30 | Latest | Previous Close |
|---|---|---|
| £ Spot | 1.6790-1.6800 | 1.6830-1.6840 |
| 1 month | 0.74-0.72pm | 0.74-0.72pm |
| 3 months | 2.11-2.08pm | 2.14-2.11pm |
| 12 months | 7.07-6.97pm | 7.07-6.97pm |

Forward premiums and discounts apply to the US dollar

### STERLING INDEX

[illegible]

### CURRENCY MOVEMENTS

[illegible]

### CURRENCY RATES

[illegible]

### OTHER CURRENCIES

[illegible]

### FORWARD RATES AGAINST STERLING

| | | | | | |
|---|---|---|---|---|---|
| D-mark | 2.9400 | 2.9356 | 2.9299 | 2.9230 | 2.9110 |
| French Fr. | 9.9800 | 9.9665 | 9.9460 | 9.9265 | 9.8885 |
| Swiss Fr. | 2.5675 | 2.5618 | 2.5507 | 2.5350 | 2.5036 |
| Yen | 230.00 | 229.95 | 228.00 | 226.00 | 221.97 |

### EMS EUROPEAN CURRENCY UNIT RATES

| | Ecu Central Rates | Currency Amounts Against Ecu Aug 30 | % Change from Central Rate | % Spread vs Weakest Currency | Divergence Indicator |
|---|---|---|---|---|---|
| Spanish Peseta | 133.631 | 127.838 | -4.34 | 5.76 | 75 |
| Belgian Franc | 42.4032 | 42.2480 | -0.37 | 1.54 | 24 |
| Italian Lira | 1538.24 | 1532.58 | -0.37 | 1.54 | 25 |
| Dutch Guilder | 2.31643 | 2.31313 | -0.14 | 1.32 | 13 |
| D-Mark | 2.05586 | 2.05362 | -0.11 | 1.28 | 13 |
| Irish Punt | 0.767417 | 0.767683 | 0.03 | 1.14 | 4 |
| Sterling | 0.696904 | 0.699227 | 0.33 | 0.83 | -7 |
| Danish Krone | 7.84195 | 7.92691 | 1.08 | 0.09 | -44 |
| French Franc | 6.89509 | 6.97581 | 1.17 | 0.00 | -47 |

Ecu central rates set by the European Commission. Currencies are in descending relative strength. Percentage changes are for Ecu; a positive change denotes a weak currency. Divergence shows the ratio between two spreads: the percentage difference between the actual market and Ecu central rates for a currency, and the maximum permitted percentage deviation of the currency's market rate from its Ecu central rate.
Adjustment calculated by Financial Times.

### POUND SPOT - FORWARD AGAINST THE POUND

| Aug 30 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| US | 1.6805 - 1.6885 | 1.6805 - 1.6815 | 0.73-0.71cpm | 5.14 | 2.11-2.08pm | 4.99 |
| Canada | 1.9165 - 1.9275 | 1.9165 - 1.9175 | 0.42-0.36cpm | 2.44 | 0.81-0.71pm | 1.59 |
| Netherlands | 3.3000 - 3.3125 | 3.3075 - 3.3175 | ½-¼cpm | 1.36 | 1¼-1pm | 1.36 |
| Belgium | 60.15 - 60.50 | 60.40 - 60.50 | 11-7cpm | 1.79 | 28-21pm | 1.62 |
| Denmark | 11.3150 - 11.3575 | 11.3300 - 11.3400 | 1¼-¾orepm | 1.26 | 3¾-2¼pm | 1.08 |
| Ireland | 1.0950 - 1.0980 | 1.0960 - 1.0970 | 0.13-0.08cpm | 1.15 | 0.23-0.13pm | 0.66 |
| Germany | 2.9300 - 2.9425 | 2.9375 - 2.9425 | ½-¼pfpm | 1.79 | 1¼-1pm | 1.45 |
| Portugal | 250.00 - 251.50 | 250.15 - 251.15 | 99-129cdis | -4.50 | 104-321dis | -4.03 |
| Spain | 182.45 - 183.35 | 183.00 - 183.30 | 20-31cdis | -1.67 | 61-80dis | -1.54 |
| Italy | 2181.50 - 2197.25 | 2191.50 - 2192.50 | 1-2lireddis | -0.82 | 3-5dis | -0.73 |
| [illegible] | [illegible] | [illegible] | [illegible] | 0.92 | 2-1¼pm | 0.54 |

Commercial rates taken towards the end of London trading. Six-month forward dollar [illegible]. 12 Month [illegible]

### DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

[illegible]

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

### EURO-CURRENCY INTEREST RATES

[illegible]

Long term Eurodollars: two years [illegible] per cent; three years [illegible] per cent; four years [illegible] per cent; five years [illegible] per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

### EXCHANGE CROSS RATES

[illegible]

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

## FINANCIAL FUTURES AND OPTIONS

LIFFE LONG GILT FUTURES OPTIONS; LIFFE US TREASURY BOND FUTURES OPTIONS; LIFFE BUND FUTURES OPTIONS; LIFFE EUROMARK OPTIONS; LIFFE EURODOLLAR OPTIONS; LIFFE SHORT STERLING OPTIONS

[illegible]

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT; US TREASURY BONDS 8%; 6% NOTIONAL GERMAN GOVT. BOND; 6% NOTIONAL LONG TERM JAPANESE GOVT. BOND; 9% NOTIONAL ECU BOND; THREE MONTH STERLING; THREE MONTH EURODOLLAR; THREE MONTH EUROMARK; THREE MONTH ECU; THREE MONTH EURO SWISS FRANC; FT-SE 100 INDEX; FT-SE EUROTRACK 100 INDEX

[illegible]

* Contracts traded on APT after trading hours

CHICAGO

U.S. TREASURY BONDS (CBT) 8%; JAPANESE YEN (IMM); DEUTSCHE MARK (IMM); U.S. TREASURY BILLS (IMM); THREE-MONTH EURODOLLAR (IMM); SWISS FRANC (IMM); STANDARD & POORS 500 INDEX

[illegible]

PHILADELPHIA SE £/$ OPTIONS

[illegible]

PARIS

10 YEAR 10% NOTIONAL FRENCH BOND (MATIF) FUTURES; THREE-MONTH PIBOR FUTURES (MATIF) (Paris interbank offered rate); CAC-40 FUTURES (MATIF) Stock Index; ECU BOND (MATIF); OPTION ON LONG-TERM FRENCH BOND (MATIF)

[illegible]

### POUND - DOLLAR

[illegible]

## MONEY MARKETS

# Rates little changed

RATES HELD steady in London yesterday, despite an exceptionally large shortage of day-to-day credit. Three-month sterling interbank was unchanged [illegible] 10⅞-10¾ [illegible] and 12-month money was quoted [illegible] 10¾-10⅝ compared with 10¾-10⅝ [illegible] cent.

Trading remained quiet in short sterling futures on Liffe. September delivery [illegible] 89.34 from 89.33 and the December contract climbed to 89.86 from [illegible].

Credit was in very short supply on the London money

**UK clearing bank [illegible] lending [illegible] 11 per cent from July 12, 1991**

[illegible]arket. The Bank of England [illegible]nitially forecast a shortage [illegible] 2,300m, but revised this [illegible] 2,200m at noon. Total [illegible]ssistance [illegible] £1,961m [illegible] [illegible]rovided.

An early round of help was [illegible]ffered and at that time the [illegible]uthorities bought £550m bills [illegible]r resale to the market in [illegible]qual amounts on September 4 [illegible]nd 6 at an interest rate of 10[illegible] [illegible]er cent.

In further operations before [illegible]unch the Bank of England [illegible]urchased £279m bills, [illegible]ncluding £155m bank bills [illegible]tright in band 1 at 10⅞ per [illegible]nt. Another £124m bills were [illegible]ught for resale to the market in equal amounts [illegible] September [illegible] and 6 at [illegible] rate of 10[illegible] per cent.

In [illegible] afternoon £1,062m bills were [illegible]urchased, including [illegible] outright, via £84m [illegible] bills in band 1 [illegible] 10⅞ [illegible] and [illegible] bank bills in band 1 [illegible] 10⅞ per cent. A further £300m bills [illegible] bought for resale to [illegible] market in equal amounts on September 4 and 6 [illegible] 10[illegible] per cent. Late assistance of around £70m [illegible] also provided.

Bills maturing in official hands, repayment [illegible] late assistance and a [illegible] Treasury bills drained £1,327m, with [illegible] unwinding of repurchase agreements on bills absorbing £559m, a rise in the note circulation £510m and bank balances below target [illegible]. These outweighed exchequer transactions adding £175m [illegible] liquidity.

At [illegible] weekly [illegible] bill tender [illegible] rate of discount on [illegible] 91-day bills fell to 10.0676 from 10.1508 per cent and the average rate on £200m of 182-day bills declined to 9.7953 from 9.8279 per cent.

The highest accepted rate on 91-day bills fell to 10.0876 from 10.1679 per cent, equal to a price of £97.485. Bids at that level were allotted in full.

Bids for 91-day bills totalled £1.415bn, up from £1.1bn the previous week but bids for 182-day bills fell to £758m from £932m.

### FT LONDON INTERBANK FIXING

[illegible]

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### MONEY RATES

NEW YORK — Treasury Bills and Bonds

[illegible]

### LONDON MONEY RATES

[illegible]

Treasury Bills (sell): one-month 10⅛ per cent; three months 9⅞ per cent. [illegible]

### BANK RETURN

| BANKING DEPARTMENT | Wednesday August 28, 1991 | Increase or decrease for week |
|---|---|---|
| | £ | £ |
| LIABILITIES | | |
| Capital | 14,553,000 | |
| Public Deposits | [illegible] | [illegible] |
| Bankers Deposits | [illegible] | [illegible] |
| Reserve and other Accounts | [illegible] | [illegible] |
| | [illegible] | [illegible] |
| ASSETS | | |
| Government Securities | 1,467,116,591 | + 189,730,000 |
| Advance and other Accounts | 1,713,[illegible] | + 317,875,722 |
| Premises Equipment & other Secs | 1,645,[illegible] | - 80,093,137 |
| Notes | 7,906,378 | + 3,021,899 |
| Coin | 207,029 | + 3,345 |
| | 4,834,543,307 | - 50,671,239 |
| ISSUE DEPARTMENT | | |
| LIABILITIES | | |
| Notes issued | 16,392,091,622 | + 123,021,899 |
| In Banking Department | 7,908,378 | - 3,021,899 |
| | 16,400,000,000 | + 120,000,000 |
| ASSETS | | |
| Government Debt | 11,015,100 | |
| Other Government Securities | 10,529,148,192 | + 353,012,409 |
| Other Securities | 5,859,836,708 | - 233,012,409 |
| | 16,400,000,000 | + 120,000,000 |

### BASE LENDING RATES

| | % | | % | | % |
|---|---|---|---|---|---|
| Adam & Company | 11 | Co-operative Bank | 11 | McDonnell Douglas Bnk. | 11 |
| Allied Trust Bank | 11 | Coutts & Co | 11 | Midland Bank | 11 |
| AIB Bank | 11 | Cyprus Popular Bk | 11 | Mount Banking | 11 |
| ● Henry Ansbacher | 11 | Dunbar Bank PLC | 11 | NatWestminster | 11 |
| B & C Merchant Bank | 11 | Duncan Lawrie | 11 | Northern Bank Ltd | 11 |
| Bank of Baroda | 11 | Equatorial Bank plc | 11 | Nykredit Mortgage Bank | 12 |
| Banco Bilbao Vizcaya | 11 | Exeter Bank Limited | 11½ | Provincial Bank PLC | 14 |
| Bank of Cyprus | 11 | Financial & Gen. Bank | 11.5 | Roxburghe Bank Ltd. | 12 |
| Bank of Ireland | 11 | First National Bank Plc. | 14 | Royal Bk of Scotland | 11 |
| Bank of India | 11 | ● Robert Fleming & Co. | 11 | ● Smith & Williamson Secs. | 11 |
| Bank of Scotland | 11 | Robert Fraser & Ptnrs. | 11½ | Standard Chartered | 11 |
| Banque Belge Ltd | 11 | Girobank | 11 | TSB | 11 |
| Barclays Bank | 11 | ● Guinness Mahon | 11 | Unibank plc | 11 |
| Benchmark Bank | 11 | ● Hambros Bank | 11 | ● United Bk of Kuwait | 11 |
| Brit. Bk of Mid East | 11 | Hampshire Trust Plc | 13.5 | Unity Trust Bank Plc | 11 |
| ● Brown Shipley | 11 | Heritable & Gen Inv Bnk. | 11 | Western Trust | 11 |
| CL Bank Nederland | 11 | ● Hill Samuel | 11 | Westpac Bank Corp. | 11 |
| Citibank NA | 11 | C. Hoare & Co. | 11 | Whiteaway Laidlaw | 11 |
| City Merchants Bank | 11 | Hongkong & Shanghai | 11 | Yorkshire Bank | 11 |
| Clydesdale Bank | 11 | ● Leopold Joseph & Sons | 11 | | |
| Comm. Bk. of London Plc | 11 | Lloyds Bank | 11 | | |
| | | Meghraj Bank Ltd | 11 | | |

● Members of British Merchant Banking & Securities Houses Association.



# MONEY MARKET FUNDS

## Money Market Trust Funds

[illegible]

## Money Market Bank Accounts

[illegible]

Wimbledon & South West Finance PLC, 114 Newgate St, London EC1 7AE, 071-606 9485. High Int Cheque Acc 11.25, 8.44, 11.73, Qtr

Clydesdale Bank PLC, 30 St Vincent Place, Glasgow G1 2HL, 041 248 7070

Many other currencies are available – for rates please phone ext. 2168

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year "Compounded Annual Rate". Int Cr Frequency at which interest is credited to the account.

### MONTHLY AVERAGES OF STOCK INDICES

| | August | July | June | May |
|---|---|---|---|---|
| [illegible] | | | | |
| Government [illegible] | 88.64 | 84.72 | 83.74 | 84.53 |
| Fixed interest | 94.57 | 93.82 | 93.03 | [illegible] |
| Ordinary | 2027.3 | 1953.2 | 1951.7 | 1952.2 |
| Gold Mines | 173.4 | 208.6 | 197.6 | 156.1 |
| SEAQ Bargains(4.45pm) | 28,389 | 27,691 | 25,623 | 26,869 |
| F.T.-Actuaries | | | | |
| Industrial Group | 1279.77 | 1,240.52 | 1232.77 | 1233.85 |
| 500 Share | 1379.99 | 1,342.46 | 1330.25 | 1331.16 |
| Financial Group | 824.49 | 788.06 | 785.09 | [illegible] |
| All-Share | 1244.33 | 1,208.52 | 1198.78 | 1203.75 |
| FT-SE 100 | 2600.5 | 2530.1 | 2495.1 | 2493.3 |
| FT-SE Eurotrack 100 | 1108.77 | 1107.24 | 1143.22 | 1127.59 |

| | Highest August close | Lowest August close |
|---|---|---|
| Ordinary | 2079.3 (30th) | [illegible] |
| All-Share | 1268.62 (30th) | [illegible] (19th) |
| FT-SE 100 | 2645.7 (30th) | [illegible] (19th) |
| FT-SE Eurotrack 100 | 1125.64 (30th) | [illegible] (19th) |

## EDUCATION

# LONDON STOCK EXCHANGE: Dealings

Details of business done shown [redacted] been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise [redacted] prices are in pence. The prices [redacted] at which the business was [redacted] in the [redacted] hours up to 5 pm on Thursday and [redacted] through the Stock Exchange Talisman system, they are not in [redacted] of [redacted] but in ascending order which [redacted] the day's highest and [redacted] dealings.

For those securities in which no [redacted] was [redacted] in Thursday's Official List the [redacted] recorded [redacted] in the four previous days [redacted] given with the relevant date.

Rule 535(2) [redacted] not regulated by the International Stock Exchange [redacted] the United Kingdom and the Republic [redacted] Ireland Ltd.

‡ Bargains at special prices. Φ Bargains done the previous day.

## British Funds, etc
No. [redacted] bargains included [redacted]

Exchequer 10½% Stk 2005 - £104½ (27Au91)
Guaranteed Export Finance Corp PLC 1[redacted] Ln Stk 2002(Reg) - £114¾ (28Au91)

## Corporation and County Stocks
No [redacted] bargains included 4

Greater London Council 6¾% Stk 90/92 - £97½ ¾

ABN-AMRO Hldgs N.V. Ord FL5 - FL38 95 9.1
Barclays Bank PLC 8¾% Uns Cap Ln Stk 86/93 - [redacted] 5
12% Uns Cap Ln Stk 2010 - £105
16% Uns Cap Ln Stk 2002/07 - £128¾ [redacted] 30¼ ¾
Barings PLC 8% Cum 2nd Prf £1 - [redacted] 1)
Co-Operative Bank PLC 9.25% Non-Cum Ind Prf £1 - 95¾
[redacted] Stk $5 - $27 0971 [redacted]
HSBC Hldgs PLC Ord $H10 - $H2.23 2.29 2.295 2.3 $M10.7
Kyowa Saitama Bank Ld Shs of Com Stk

...

Savage Group PLC 8.5% (Net) Cum Red Cnv Prf £1 - 46 (27Au91)
Sherwood Group PLC New Ord 10p - 29
Simpsons of Cornhill PLC Ord 5p - 47 8 (27Au91)
URS International Inc Shs of Com Stk $0.01 - 1 (27Au91)
Wharfedale PLC Ord 5p - 15 5 6 7
Wyevale Garden Centres PLC 8.5% (Net) Cnv Cum Red Prf £1 - 160 2 [redacted]

## Rule 535(2)
No. of bargains included 51

Adam [redacted] Co PLC Ord £1 - £1.55 (27Au91)
African Gold PLC Ord 1p - £0.095 [redacted] 0.1075 0.11 0.11‡ [redacted] 0.115
Ann Street Breweries Co Ld Ord £1 - £4 (28Au91)
Aston Villa Football Club PLC Ord £5(1 vote) - £35 38 [redacted]
Barbican Holdings PLC Ord 1p - 0¾ ¾
Brown(A.)& Sons PLC Ord 5p - £0.35 0.38 0.4
Conister Trust Ld Ord 25p - £0½ [redacted]
Dart Valley Light Railway Ld Ord [redacted] - £3 [redacted]
Douglas Gas Light Co Ld Ord £1 - £4.38
Exchem PLC Ord 50p - £1.95 2.05 (23Au91)
Image Store Holdings PLC Ord [redacted]
[redacted] Yard Investments PLC Ord [redacted] - £0.015 0.02 0.03 (27Au91)
Jennings Bros Ld Ord 25p - £1.9 (28Au91)
Kleinwort Benson(Guernsey)Fund Man International Income - [redacted]
Lawrie Group PLC Ord £1 - £21 [redacted]

Rangers Football Club PLC Ord £1 - [redacted]
Saxon Hawk Group PLC Ord £1 - [redacted]
Shepherd Neame PLC "A" Ord £1 - £5.35 5.45 (28Au91)
Southern Newspapers PLC Ord [redacted] - [redacted]
Sun Oil Britain Ld Oil Royalty Stk Units 1p - £0.46‡
Tadpole Technology PLC Ord 10p - £0.7 (28Au91)
Weetabix Ld "A" Non.V Ord 25p - £6.2 6½ (28Au91)

## RULE 535 (4) (a)

**Bargains [redacted] in securities [redacted] principle market [redacted] outside [redacted] UK and Republic [redacted] Ireland. Quotation [redacted] not [redacted] granted in London and dealings [redacted] not recorded in the Official List.**

Aust. Oil [redacted] 17
Bounty Invs [redacted] (28/8)
[redacted] Psychiatric [redacted]
Harland (John H) Co £13.625
Leighton Hldgs A$1.2
Mount Martin Gold Mines [redacted] (23/8)
Niugini Mining A$1.744 [redacted]
Oil Search 31
Tandem [redacted] (27/8)
Wong Industrial Hldgs HK$[redacted] 75♦ [redacted]
Woolfra Class 'A' £15.125♦ [redacted]

By [redacted]


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## LONDON STOCK EXCHANGE

# New peak as the equity account ends

By Terry Byland, UK Stock Market Editor

A QUIET but confident trading session [illegible] the UK stock [illegible]ket edge forward to new peaks yesterday. This rounded off [illegible] eventful [illegible] week [illegible] account over which the London market has risen by about 3 per cent. Trading volumes were healthy but not extraordinary and takeover speculation continued to indicate an underlying optimism in equities.

After hesitating in the early part [illegible] the session, the equity market moved higher in late afternoon [illegible] the [illegible] dollar strengthened in res[illegible]se to the latest [illegible] on the [illegible] economy. The FT-SE Index [illegible]ered an early fall of 5.5 to [illegible] session [illegible] 2,645.7, a [illegible] all-time high and a net gain of 7.5 on the day.

Seaq-reported volume reached 397.7m shares [illegible] Thursday's 428.6m. Dealers [illegible] yesterday's volume total took in [illegible] portion of inter-market business as the big securities firms squared their books off, ready for the new trading account which could [illegible] current lev[illegible].

| [illegible] Dealing [illegible] | | | |
|---|---|---|---|
| First Dealings: | Aug 12 | Sep 2 | Sep 16 |
| Option Declarations: | Aug 29 | Sep 12 | [illegible] |
| Last Dealings: | Aug 30 | [illegible] 13 | Sep 27 |
| Account Day: | Sep 9 | Sep 23 | Oct 7 |

*New-time dealings may take place from 8.30 am two business days earlier.

Market traders, [illegible] generally optimistic on the outlook for equities, kept any enthusiasm under restraint yesterday. [illegible] County NatWest, Mr [illegible] Semple said [illegible] market was consolidating around its latest peaks but that near term performance hinged on several factors; the likelihood of further rights iss[illegible] following the recent cash calls from Ladbroke and Peninsular & Oriental [illegible] restrain the stock market. Speculation over the identity of the next name in the rights [illegible] was rife in the market yesterday.

Mr [illegible] Turnbull, [illegible] UK market arm [illegible] Société Générale, was unwilling to raise his year-end forecast above FT-SE 2,650, expressing some concern over assumptions of the strength behind any impending UK economic recovery.

The extended three-week equity account which closed last week was hit by an [illegible]pected combination of holiday lethargy and the sudden, dramatic developments in eastern Europe. Many fund [illegible] return from holiday [illegible] their [illegible] on Monday morning to take a close look [illegible] their portfolio balances and liquidity ratios.

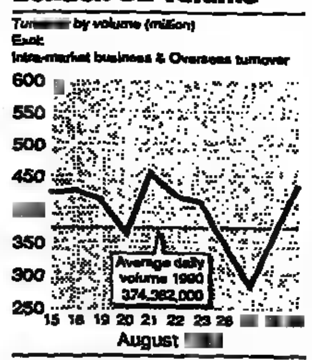
[illegible] tightened further on the speculative front, where suggestions that Philip Morris of the [illegible] may strike soon inspired activity in the UK food manufacturing sector. [illegible]bury Schweppes, still seen as a favourite target, moved ahead sharply and United Bis[illegible] also [illegible] buyers. [illegible]tainty [illegible] the present [illegible] the 4.18 per cent stake in Pilkington, the UK glass manufacturer, held by BTR continued to inspire mar[illegible] speculation.

● After languishing following the August Bank Holiday, equity volume is returning towards levels exceeding last year's averages.

**London SE volume**

Tu[illegible] by volume (million)

Excl: Intra-market business & Overseas turnover




## Bid talk boosts Cadbury

SHARES IN Cadbury Schweppes [illegible] for the second day running by bid speculation. [illegible] the first name mentioned as [illegible] possible predator was US consumer goods giant Philip Morris, said to be preparing a £5 a share offer. [illegible] was [illegible] mooted.

This bid story was [illegible] given [illegible] little more credence than many because of the high volume of trading in Cadbury: 5.6m shares made [illegible] the fifth busiest day's business in the shares [illegible].

Traders were sceptical, how[illegible]. They said that [illegible] heavy trade [illegible] squeezed a market already short of the stock after recent rises. In addition, [illegible]lysts at SG Warburg yesterday morning recommended investors buy the shares.

A[illegible] and traders acknowledged there might eventually be [illegible] bid, but thought it unlikely in the short term. This [illegible] was [illegible] in sharp rises late in [illegible] session in Allied-Lyons [illegible] United Biscuits, [illegible] the view that [illegible] bid might be for one of these two instead. Both have also been the subj[illegible] of takeover speculation [illegible] recent months.

Cadbury [illegible] 20 higher [illegible] one point before ending [illegible] 418p, up 16 [illegible] balance. Allied and UB both closed at their [illegible] for the day up [illegible] at 596p and 11 [illegible] 409p respectively.

### BAe rights rumours

A market preoccupied with hunting down the candidates thought to be considering launching [illegible] rights [illegible] on British Aerospace, scheduled to reveal interim figures [illegible] September 10.

BAe, under [illegible] bouts of pressure in mid-week, dropped sharply at one point yesterday to touch 550p, before steadying to end the session [illegible] net 10 off [illegible] 555p. Over the week the stock has come back [illegible] 574p.

Specialists [illegible] had been circulating for many weeks but had come to [illegible] during [illegible] past couple of sessions. Analysts expect [illegible] produce poor figures on September 10, reflecting mostly the hard times being endured by Rover, the car mak[illegible].

[illegible] of [illegible] interim results range [illegible] around £80m to £100m, against a comparable £146m. One analyst said a rights issue from BAe would be made "from a position of weakness rather than from strength."

Others took a more positive view. Mr Clive Forestier-Walker of stockbroker Charterhouse Tilney [illegible] a [illegible] raising operation would be seen "as no bad thing; it would enable BAe to develop its vast land bank."

### Brent Walker falls

Brent Walker dropped [illegible] to 18p, equalling its [illegible] for more than five years, after the company restated its 1990 profits. The asset value for the company was [illegible] from £139m to [illegible] net negative worth of £56m.

The company also proposed that [illegible] of its 13 [illegible] [illegible]tible capital bonds swap into [illegible] [illegible]able preference shares. The convertible bond slipped 2 to 26p and the preference eased [illegible] to 6p.

### Racal busy

A [illegible] in Racal Electronics, [illegible] at 222p, masked [illegible] interest [illegible] shares. Turn[illegible] reached a heavy 4.4m.

Monday sees the [illegible] move in the demerger process. The [illegible] Exchange will allow marketmakers to deal in Racal Electronics, ex Racal Telecom, as "Racal Special Ex". A grey market in Racal Special Ex already exists, with the price quoted at around 31p.

Racal Electronics is meeting analysts at [illegible] Royal Lancaster Hotel in London on Monday in what is seen as [illegible] marketing effort. The full demerger of Electronics from Telecom is scheduled [illegible] September 16. Racal Telecom shares settled fractionally higher at 341p with turnover a busy 1.4m.

Overnight demand [illegible] ICI and SmithKline Beecham led to early rises for their shares. Traders said that recent gains in [illegible] pharmaceutical company stocks [illegible] that global investment funds were underweight in UK drug sector. ICI added 20 [illegible] Smith-Kline rose [illegible] to 793p.

Dollar strength underpinned their gains and helped Glaxo recover from some weakness, induced by profit-taking after a record breaking run, to end 4 off at 1363p.

GEC closed a shade firmer at 194p on relatively high turnover of 5.6m [illegible] a meeting analysts at [illegible] Govett. The presentation [illegible] in the City of London. Mr David Newlands, finance direc[illegible] have been confident of GEC's prospects for the full year, especially with Alsthom and the heavy electrical side of the business.

MicroFocus raced 65 higher to 2113p after news that US investors now hold 33.74 per cent of the shares.

CMB Packaging lifted 50 more to 1600p on continued speculation that BTR might launch a bid. MB-Caradon, a big stakeholder in CMB, also benefited, rising 9 to 275p.

Talk that BTR would make an acquisition has been in the market for some time – the [illegible] recently sold Pretty Polly for £110m. It was revived by talk this week that BTR was selling its [illegible] per [illegible] stake in Pilkington (up a penny at 167p).

Trafalgar House rose 6 to 253p after being up 12 at one stage. [illegible] Govett [illegible] believed to have been buying on behalf of a [illegible].

BET [illegible] the [illegible] in [illegible] market after press suggestions that the company [illegible] to [illegible] rights issue. The shares eased a penny to 215p. Business ser[illegible] analyst Mr Mark Shepperd [illegible] Phillips & Drew said: "In May [illegible] sold [illegible] disposal [illegible] for [illegible] which brought gearing down [illegible] I don't take the rumours very seriously." Serco Group benefited 5 to 490p following [illegible] 23 per cent boost in interim profits on Thursday.

Clothing maker SR Gent, whose main customer is Marks and Spencer, fell after the company [illegible] warning. It fell [illegible] lifting with [illegible] market to close [illegible] off at 49p.

Union Discount [illegible]ed troubled by stories of a rights issue. They dropped 24 to 230p but only 69,000 shares changed hands.

BZW was revealed as being the [illegible] force behind the recent heavy turnover and strong performance of Tarmac. The shares closed [illegible] 7 better yesterday at 240p. BZW has been telling its clients to switch from [illegible] Wimpey, saying Tarmac represented better asset backing and gearing and was better placed to take advantage of a recovery in the housing market.

Wimpey, under pressure during recent sessions as the BZW switching was carried out, rallied 3 to 174p. Wimpey reports interims on Wednesday. Analysts are looking for the group to reveal a small loss.

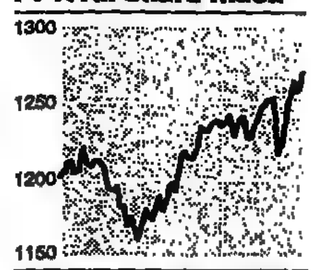
An overnight buyer of Frogmore Estates shares left the market short of stock. Traders struggled to avoid quoting the best offer price in case a buyer moved in to exacerbate the shortage. The price climbed 13 to 328p but dealers said that few shares changed hands.

Comment by analysts and in the press on figures and deals from Wates City of London and Slough Estates helped both. Wates rose another 10 to 125p and Slough advanced 8 to 269p.

**MARKET REPORTERS:**
Daniel Green,
Peter John,
Steve Thompson.

■ Other market statistics, including [illegible] FT-Actuaries [illegible] Indices and [illegible] Traded Options, [illegible] 9.

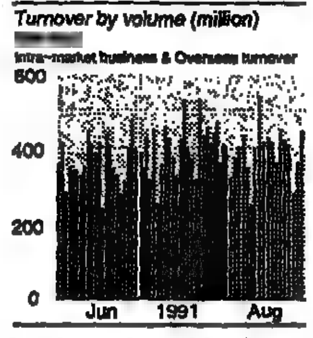
**FT-A All-Share Index**




**Equity Shares Traded**

Turnover by volume (million)

Intra-market business & Overseas turnover




## NEW HIGHS AND LOWS FOR 1991

NEW HIGHS ([illegible]). BRITISH FUNDS ([illegible]) [illegible] 4pc, Treas. 2½pc IL 2003, [illegible] & O'SEAS GOVT. STLG. ISSUES (4) African Dev. 11¼pc 2010, Asian Dev. 10¼pc 2009, Int-Amer. Dev. 12½pc 2003, Do. 9¼pc 2015, FOREIGN BONDS (1) Hydro-Quebec 15pc 2011, AMERICANS ([illegible]) BankAmerica, CPC, California Energy, [illegible], [illegible] NY, BANKS (3) HSBC, [illegible], Do. 8pc Prf., BREWERS (3) Allied-[illegible], Greenalls, Seagram, BUILDINGS (4) [illegible], Caird, Hickson, [illegible] CHEMICALS [illegible] (8) Alexon, [illegible] A, GUS A, [illegible] Chemists, [illegible] (J), Smith (WH) [illegible], ELECTRICALS [illegible] Alba, Blick, Dale, Domino Printing, Druck, Electrocomponents, Farnell, Hoskyns, Micro Focus, ELECTRICITY (1) PowerGen, ENGINEERING (8) Rotork, Senior, [illegible], TACE, Victaulic, Weir, FOODS (7) [illegible], Cadbury Schweppes, Dalgety, [illegible], Perkins, Sims, Utd. Biscuits, HOTELS (1) Forte, INDUSTRIALS ([illegible]) Astra, [illegible] [illegible], Caledonia [illegible], [illegible] Pri., [illegible], [illegible] Polytrene, CMB Packaging, [illegible] Pacific, Courtaulds, Hays, Johnson [illegible], Kalon, Lilly (E), Lionheart, [illegible] Do. [illegible] 9.5pc Cnv. Bond, Rockware, Scapa, [illegible], Shanks & McEwan, Shiloh, Sidlaw, Spring Ram, TT, [illegible] (FH), Do. 5.6pc Prf., Do. 5¼pc Prf., Trafalgar Hse. A, Wellcome, Wolseley, INSURANCE (2) Bradstock, Hogg, LEISURE (1) Allied Leisure, MOTORS (3) Evans Halshaw, Sanderson Murray Elder, Vardy (Reg), NEWSPAPERS (3) Blenheim, EMAP, Euromoney, PAPERS (1) Abbott Mead Vickers, PROPERTY (1) Land Securities 10pc 2030, TEXTILES (1) Sirdar, TOBACCOS (1) Rothmans B, TRANSPORT (3) Air London, CSX, Ocean, TRUSTS (18) American & [illegible], [illegible] Temple Bar, [illegible] Capital A, BANKS [illegible], BUILDINGS (3) Fairbriar, Jarvis, [illegible] Brown & Jackson, Gent (SR), ELECTRICALS (1) [illegible], ENGINEERING (1) Ransomes, INDUSTRIALS (4) Grosvenor, Nu-Swift, Securicor [illegible] Capital, LEISURE (1) Yorkshire TV, PROPERTY (1) Waterglade 7.75pc Prf., TRANSPORT (1) Mersey Docks, TRUSTS (4) Drayton Blue Chip, Drayton C[illegible] & Caledonian, [illegible] Home Loans, [illegible] Premier Cons., Sceptre Res., Tri[illegible] (2) Kidston Gold, Meekatharra.

## RISES AND FALLS YESTERDAY

| | On Friday Rises | Falls | Same | On the week Rises | Falls | Same |
|---|---|---|---|---|---|---|
| British Funds | 17 | 31 | 35 | 124 | 88 | 120 |
| Corps, Dom. & Foreign Bonds | 0 | 0 | 20 | 7 | 10 | 63 |
| Industrials | 323 | 205 | 977 | 1,307 | 831 | 3,876 |
| Financial and Props | 140 | 75 | 528 | 559 | 346 | 2,067 |
| Oils | 16 | 19 | 53 | 70 | 73 | 209 |
| Plantations | 0 | 0 | 10 | 0 | 2 | 38 |
| Mines | 14 | 59 | 82 | 80 | 195 | 348 |
| Others | 49 | 41 | 52 | 206 | 181 | 194 |
| Totals | 559 | 430 | 1,757 | 2,353 | 1,726 | 6,915 |

## FINANCIAL TIMES STOCK INDICES

| | Aug 30 | Aug 29 | Aug 28 | Aug 27 | Aug 23 | Year Ago | 1991 High | 1991 Low | Since Compilation High | Since Compilation Low |
|---|---|---|---|---|---|---|---|---|---|---|
| Government Secs | 85.96 | 85.96 | 85.80 | 85.78 | [illegible] | [illegible] | 85.96 (29/8) | [illegible] (2/1) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Interest | 94.94 | [illegible] | 94.89 | [illegible] | [illegible] | 86.38 | 94.94 [illegible] | 90.59 (2/1) | 105.4 (28/11/47) | 50.53 (3/1/75) |
| Ordinary Share● | 2079.3 | 2068.2 | [illegible] | 2050.0 | 2069.3 | 1693.6 | 2079.3 (30/8) | 1608.3 (16/1) | 2079.3 (30/8/91) | 49.4 (26/6/40) |
| [illegible] Mines | [illegible] | 157.6 | 158.1 | 159.0 | [illegible] | [illegible] | [illegible] (11/7) | [illegible] | 734.7 [illegible] | [illegible] |
| FT-SE 100 Share | [illegible] | 2638.2 | 2624.2 | [illegible] | [illegible] | 2162.8 | [illegible] | [illegible] (16/1) | 2645.7 (30/8/91) | [illegible] |
| FT-SE Eurotrack 200 | 1189.68 | [illegible] | [illegible] | [illegible] | [illegible] | - | 1192.11 (5/8) | 938.62 (16/1) | 1192.11 (5/8/91) | 938.62 (16/1/91) |
| ●Ord. Div. Yield | 4.56 | 4.59 | [illegible] | [illegible] | 4.59 | 5.59 | | | | |
| ●Earning Yld %(full) | 7.43 | 7.49 | [illegible] | [illegible] | 7.48 | 11.90 | | | | |
| ●P/E Ratio(Net)(☆) | 16.79 | 16.67 | [illegible] | 16.52 | 16.68 | 10.20 | | | | |
| SEAQ Bargains [illegible] | 34,096 | [illegible] | 26,858 | 28,515 | [illegible] | 15,992 | | | | |
| Equity Turnover(£m)† | - | [illegible] | [illegible] | [illegible] | 988.66 | [illegible] | | | | |
| Equity Bargains† | - | 30,480 | 27,227 | [illegible] | 32,182 | [illegible] | | | | |
| Shares Traded (ml)† | - | 445.3 | 369.0 | [illegible] | 415.4 | [illegible] | | | | |

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55. Basis 1000 FT-SE 100 31/12/83 & FT-SE Eurotrack 200 26/10/90. ☆ Nil 13.96

Ordinary Share Index, Hourly changes Day's High 2079.3 Day's Low 2061.7

| Open | 9 am | 10 am | 11 am | 12 pm | 1 pm | 2 pm | 3 pm | 4 pm |
|---|---|---|---|---|---|---|---|---|
| 2065.4 | 2064.8 | 2062.1 | 2063.1 | 2065.4 | 2066.6 | 2068.9 | [illegible] | 2075.[illegible] |

FT-SE 100, Hourly changes [illegible]'s High 2645.7 [illegible]'s Low 2632.7

| Open | 9 am | 10 am | 11 am | 12 pm | 1 pm | 2 pm | 3 pm | 4 pm |
|---|---|---|---|---|---|---|---|---|
| 2637.3 | 2637.9 | 2633.5 | 2633.4 | 2635.5 | 2636.5 | 2639.2 | [illegible] | [illegible] |

FT-SE Eurotrack 200, Hourly changes Day's High 1190.60 [illegible] Low [illegible]

| Open | 10 am | 11 am | 12 pm | 1 pm | 2 pm | 3 pm |
|---|---|---|---|---|---|---|
| [illegible] | 1187.96 | 1187.93 | 1185.01 | 1188.15 | 1189.56 | 1189.68 |

### GILT EDGED ACTIVITY

| [illegible] | [illegible] | Aug 28 |
|---|---|---|
| Gilt Edged Bargains | 77.1 | [illegible] |
| 5–Day average | [illegible] | 75.0 |

[illegible] Activity [illegible]
†Excluding [illegible] business & [illegible]seas tu[illegible]r.

London report and latest Share index: Tel. 0898 123001

## TRADING VOLUME IN MAJOR STOCKS

| | Volume 000's | Closing Price | Day's change |
|---|---|---|---|
| ADT | 209 | 486 | -7 |
| ASDA Group | 2,400 | 90½ | -½ |
| Abbey National | 1,000 | 304 | |
| Albert Fisher | 865 | 103 | |
| Allied-Lyons | 2,300 | 586 | +13 |
| Amstrad | 978 | 50 | |
| Anglian Water | 437 | 372 | |
| Argos | 50 | 337 | |
| Argyll Group | 4,300 | 305 | +3 |
| Arjo Wiggins | 330 | 281 | +1 |
| Ass. Brit. Foods | 86 | 515 | +2 |
| BAA | 1,800 | 431 | +2 |
| BAT Inds. | 1,300 | 867 | -6 |
| BET | 1,900 | 215 | -1 |
| BICC | [illegible] | 442 | -3 |
| BOC | 586 | [illegible] | -2 |
| BPB Inds. | 780 | | |
| BTR | 4,100 | 434 | +5 |
| Bank of Scotland | 550 | 123 | |
| Barclays | 1,200 | 470 | -2 |
| Bass | 1,100 | 986 | -8 |
| Beazer | 2,400 | 84 | -2 |
| Berisford Int. | 949 | 38½ | |
| Blue Circle | 850 | 280 | -2 |
| Booker | 369 | 488 | -1 |
| Boots | 767 | 429 | +1 |
| Bowater | [illegible] | 885 | +7 |
| Brit. Aerospace | [illegible] | 565 | -10 |
| British Airways | 1,300 | 178½ | -½ |
| British Gas | 3,700 | 269½ | -1 |
| British Land | 242 | 308 | +1 |
| BP | 6,200 | 352½ | +3 |
| British Steel | 7,000 | 127½ | -1½ |
| British Telecom | 4,800 | 384 | +3 |
| Bunzl | 1,200 | 105½ | |
| [illegible] Castrol | 534 | 580 | +6 |
| [illegible] | 833 | [illegible] | -½ |
| Cable & Wire. | 1,100 | [illegible] | |
| Cadburys | 5,600 | 418 | +16 |
| Calor Group | 380 | 229 | -2 |
| Carlton Comms. | 141 | [illegible] | +5 |
| Coats Viyella | 1,300 | [illegible] | -1 |
| Comm. Union | 546 | [illegible] | |
| Cookson | 400 | 125 | |
| Courtaulds | [illegible] | 485 | +8 |
| Dalgety | [illegible] | 425 | +3 |
| De La Rue | 424 | 445 | -2 |
| Dixons | 872 | 262 | -3 |
| ECC Group | 248 | [illegible] | -3 |
| Eastern Elect. | 576 | [illegible] | -1 |
| East Midland Elect. | [illegible] | [illegible] | -1 |
| Enterprise Oil | [illegible] | 527 | +1 |
| Eurotunnel Units | [illegible] | 490 | -8 |
| FKI | 705 | 88 | |
| Ferranti | 794 | 8 | -½ |
| Fisons | 1,600 | 486 | +4 |
| Forte | 2,000 | 290 | +7 |
| Gen. Accident | 498 | 553 | +2 |
| [illegible] Elect. | [illegible] | 194 | +1 |
| [illegible] | [illegible] | 1353 | -4 |
| Glynwed Int. | 129 | 254 | -1 |
| Granada | 1,400 | 180 | +5 |
| Grand Met. | 842 | [illegible] | +3 |
| GUS A | 398 | [illegible] | +14 |
| GRE | 3,200 | 168 | -7 |
| GKN | 530 | 379 | +2 |
| Guinness | 1,200 | 1000 | +6 |
| Hammerson 'A' | 530 | 824 | +8 |
| Hanson | 2,900 | 218½ | |
| Hanson Warrants | 378 | 33½ | |
| Harrisons Crosfield | 686 | 158 | |
| Hawker Sidd. | 583 | 604 | +9 |
| Hillsdown | 1,220 | 234 | -1 |
| IMI | 43 | 287 | -1 |
| ICI | 1,300 | 1386 | +20 |
| Inchcape | 204 | 390 | |
| Kingfisher | 1,300 | [illegible] | |
| Ladbroke | 4,200 | [illegible] | [illegible] |
| Land Securities | 347 | 517 | -2 |
| Laporte | 343 | 594 | +3 |
| Legal & General | 626 | [illegible] | [illegible] |
| Lloyds Abbey | 676 | 418 | -3 |
| Lloyds Bank | 1,000 | 588 | -2 |
| LASMO | 816 | 325 | +2 |
| London Elect. | 387 | 198 | -1 |
| Lonrho | 1,800 | 238½ | -1½ |
| Lucas | 1,100 | [illegible] | +1 |
| MB Caradon | 1,300 | [illegible] | +9 |
| MEPC | 179 | 475 | -1 |
| Manweb | 88 | 246 | |
| Marks & Spencer | 2,500 | 280 | +2 |
| Maxwell Comms. | 105 | 185 | -1 |
| Midland Bank | 1,800 | 253 | -1 |
| Midlands Elect. | 184 | 201 | -1 |
| NFC | 861 | 201 | +1 |
| NatWest Bank | 2,200 | 348 | -3 |
| National Power | 3,[illegible] | [illegible] | -1 |
| [illegible] | [illegible] | [illegible] | +½ |
| [illegible] Water | [illegible] | [illegible] | |
| [illegible] Elect. | 154 | 206 | -1 |
| [illegible] Foods | 353 | 521 | +1 |
| [illegible] | 233 | 214 | +1 |
| Pearson | 588 | 756 | +10 |
| P & O | 1,100 | 583 | +6 |
| Pilkington | 1,400 | 167 | +1 |
| PowerGen | 6,300 | 170½ | +½ |
| Prudential | 1,600 | 259 | |
| RHM | 633 | 290 | +6 |
| RMC | 48 | 859 | -5 |
| RTZ | 665 | 595 | |
| Racal | 4,400 | 222 | -1 |
| Racal Telecom | 1,400 | 341 | +1 |
| Rank Org. | 1,100 | 718 | -8 |
| Reckitt & Colman | 310 | 700 | [illegible] |
| Redland | 647 | 598 | -7 |
| Reed Intl. | 575 | 463 | -3 |
| [illegible] | 447 | [illegible] | -1 |
| [illegible] | 426 | [illegible] | +2 |
| [illegible] | [illegible] | 737 | +3 |
| Rothmans | 141 | 1100 | -3 |
| Ryl Bk Scotland | 2,100 | 168 | +1 |
| [illegible] Insurance | 2,200 | 410 | +5 |
| Saatchi | 663 | 16 | |
| Sainsbury | 2,300 | 384 | +3 |
| Scottish & New. | 3,000 | 430 | -1 |
| Scot. Hydro-Elect. | 3,800 | 111½ | -1 |
| Scottish Power | 7,900 | 106½ | -½ |
| Sears | 1,200 | 86 | +½ |
| Sedgwick | 684 | 271 | -2 |
| Seeboard | 97 | 201 | +2 |
| Severn Trent Water | 86 | 331 | -2 |
| Shell Transport | 1,500 | 528 | -2 |
| [illegible] | 371 | 613 | |
| [illegible] | 236 | 268 | +8 |
| Smith (W.H.) A | 873 | 476 | +17 |
| Smith & Nephew | 3,100 | 137½ | +1 |
| [illegible] | [illegible] | 763 | +4 |
| SmithKline Beecham Uts. | 90 | 3468 | +10 |
| Smiths Inds. | 106 | 284 | +½ |
| [illegible] | 465 | 198 | -1 |
| [illegible] Elect. | 49 | 242 | -1 |
| South West Water | 145 | 345 | -1 |
| [illegible] Elec. | [illegible] | [illegible] | -1 |
| [illegible] | [illegible] | [illegible] | -4 |
| Standard Chartd. | 1,000 | [illegible] | -4 |
| Storehouse | 3,200 | 111 | |
| Sun Alliance | 1,200 | 358 | -1 |
| T&N | 814 | 175 | +1 |
| TI Group | 307 | [illegible] | -1 |
| TSB | 1,300 | [illegible] | -½ |
| Tarmac | 2,000 | [illegible] | +7 |
| Tate & Lyle | 811 | 381 | |
| Taylor Woodrow | 82 | 224 | +1 |
| Tesco | 1,900 | 265½ | +½ |
| Thames Water | 1,300 | 358 | -1 |
| Thorn EMI | 486 | 805 | +8 |
| Tomkins | 307 | 390 | +1 |
| Trafalgar House | 3,400 | 220 | +8 |
| Ultramar | 1,200 | 284 | +1 |
| Unigate | 1,[illegible] | 329 | +1 |
| Unilever | [illegible] | 780 | +4 |
| United Biscuits | 1,700 | [illegible] | +11 |
| [illegible] | [illegible] | 382 | -1 |
| [illegible] | [illegible] | 749 | +1 |
| [illegible] | 138 | 386 | |
| [illegible] | 40 | 373 | |
| [illegible] | 219 | 486 | -2 |
| Williams Hldgs. | 686 | 348 | +1 |
| Willis Corroon | 888 | 309 | -1 |
| Wimpey | [illegible] | [illegible] | +3 |
| Yorkshire Elect. | 470 | [illegible] | |
| Yorkshire Water | 823 | [illegible] | +1 |

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system yesterday until 4.30pm. Trades of one million or more are rounded down.

## EQUITY FUTURES AND OPTIONS TRADING

EXPIRY of the August [illegible] options [illegible] to enliven [illegible]ling [illegible] the [illegible] yesterday [illegible] languished [illegible] of the three-week trading account in the underlying equity market, writes Peter John.

Turnover on LTOM was under 25,000 with the FT-SE option reflecting only [illegible] quar[illegible] business. Among equity options Cadbury Schweppes was active throughout the day on [illegible] continuing [illegible] speculation. [illegible] heavy buyer of the [illegible].

Shortly before the [illegible] trading, Rolls-Royce emerged [illegible] star performer with 3,000 lots dealt. Agency broker James Capel was a heavy buyer of the long-dated calls in anticipation of recovery in the underlying share price. US [illegible] Morgan Stanley was [illegible].

In Liffe, the September Foot[illegible] saw [illegible]tory turnover of just [illegible] 3,000 contracts and the price drifted in early trading because of [illegible] lack of in[illegible].

[illegible] no boost from the US as Wall Street and the S&P futures opened weakly. How[illegible], shortly before the [illegible] close a big buyer moved in and squeezed the price up 8 to 2,674, a premium [illegible] points to the underlying cash market.

## BENCHMARK GOVERNMENT BONDS

| | | Coupon | Red Date | Price | Change | Yield | Week ago | Month ago |
|---|---|---|---|---|---|---|---|---|
| AUSTRALIA | | [illegible] | 11/01 | [illegible] | -0.088 | 10.65 | 10.56 | [illegible] |
| BELGIUM | | 9.000 | 06/01 | 98.2000 | -0.200 | 9.25 | 9.35 | [illegible] |
| CANADA * | | 9.750 | [illegible] | [illegible] | -0.050 | 9.63 | [illegible] | 9.66 |
| DENMARK | | [illegible] | [illegible] | 98.4750 | -0.075 | 9.24 | 9.29 | 9.46 |
| FRANCE | BTAN | [illegible] | [illegible] | 97.3618 | -0.163 | 9.14 | 9.19 | 9.36 |
| | OAT | 9.500 | 01/01 | 103.1800 | -0.300 | 8.96 | 9.01 | 9.24 |
| GERMANY | | 8.750 | 08/01 | 101.9800 | -0.280 | [illegible] | 8.50 | [illegible] |
| ITALY | | 12.500 | 03/01 | 97.8100 | [illegible] | [illegible] | 13.32 | 13.50 |
| [illegible] | No 119 | 4.800 | 06/99 | 90.3084 | -0.039 | 6.69 | 6.79 | 6.96 |
| | No 129 | 6.400 | 03/00 | 100.2484 | -0.068 | 6.36 | 6.45 | 6.68 |
| NETHERLANDS | | 8.500 | [illegible] | 95.1800 | -0.200 | 8.76 | 8.85 | 8.88 |
| SPAIN | | 11.900 | 07/96 | 100.7000 | - | [illegible] | 11.81 | 12.17 |
| UK GILTS | | 10.000 | 11/96 | 100-04 | [illegible] | 9.96 | 10.02 | 10.23 |
| | | 10.000 | 02/01 | 100-12 | [illegible] | 9.94 | 9.96 | 10.15 |
| | | 9.000 | 10/08 | 94-02 | [illegible] | 9.71 | 9.73 | 9.93 |
| US TREASURY * | | 7.875 | 08/01 | [illegible] | -10/32 | [illegible] | 7.85 | 8.16 |
| | | 8.125 | 08/21 | 100-26 | [illegible] | 8.05 | 8.11 | 8.36 |

London closing, *denotes New York morning session. Yields: Local market standard. Prices: US, UK in 32nds., others in decimal. Technical Data/ATLAS Price Sources

## FT-A INDICES LEADERS AND LAGGARDS

[illegible] 31 1990 based on Thursday August 29 1991

| | | |
|---|---|---|
| Textiles | + | [illegible] |
| Packaging, Paper & Printing | + | [illegible] |
| Health & Household | + | [illegible] |
| Chemicals | + | [illegible] |
| Business Services | + | 40.69 |
| Telephone Networks | + | 35.25 |
| Other Industrial Materials | + | 33.79 |
| Engineering-General | + | 32.10 |
| Electricals | + | 30.54 |
| Banks | + | 29.43 |
| Stores | + | 29.36 |
| Other Groups | + | [illegible] |
| Consumer Group | + | 26.96 |
| Insurance (Life) | + | 26.47 |
| Industrial Group | + | 26.00 |
| Merchant Banks | + | 24.43 |
| Investment Trusts | + | [illegible] |
| 500 Share Index | + | 23.33 |
| Electricity | + | 22.92 |
| All-Share Index | + | 22.58 |
| Media | + | [illegible] |
| Transport | + | 21.15 |
| Motors | + | 21.11 |
| Conglomerates | + | 20.44 |
| Capital Goods | + | 20.10 |
| Brewers & Distillers | + | 19.45 |
| Food Manufacturing | + | 18.59 |
| Financial Group | + | 17.79 |
| Electronics | + | 16.36 |
| Food Retailing | + | 15.76 |
| Insurance Brokers | + | 13.53 |
| Hotels & Leisure | + | 13.23 |
| Metals & Metal Forming | + | 13.17 |
| Building Materials | + | 12.98 |
| Insurance (Composite) | + | 10.61 |
| Oil & Gas | + | 7.93 |
| Water | + | 7.84 |
| Contracting, Construction | + | 2.25 |
| Engineering-Aerospace | + | 2.18 |
| Gold Mines Index | + | 1.94 |
| Property | - | 3.56 |

## COMMODITIES

### WEEK IN THE MARKETS

# Gold price slides to 14-month low

A FRESH wave of speculative selling sent the gold price to a 14-month low on the London bullion market yesterday. There was talk of renewed Middle East selling – the factor [illegible] a [illegible] heavy falls this year – as the price fell to $347 a troy ounce at the morning fixing. But dealers did not, as before, discern the determined hand of a single operator. "Most of it is professional short-selling," commented Mr Andy Smith, precious Metals analyst [illegible] UBS Phillips and Drew.

The price edged up later in the day but by the close it was still down $3.90 on the day and $5.80 on the week at $346.05 an ounce.

Yesterday's selling followed the breach in the New York futures market overnight of support at $357 an ounce for the Decem[illegible] delivery position. Dealers attributed that move to technical factors and saw no connection with events in the Soviet Union, although there continued to be nervousness about the possibility that Soviet gold being held by western banks under swap deals (in which gold is sold for hard currency with a commitment that it will be bought back later) might yet be thrown on to the market. Up to 250 tonnes of Soviet gold is believed to be held under such deals, much of which is due to be redeemed at the end of this quarter.

[illegible] spilled over into the silver market, [illegible] the cash price fell by 3 cents yesterday to [illegible] ounce, extending the fall on the week to 7 cents. And the platinum price surrendered $3.75 of its earlier rally, ending $3.50 up on the week at $335 an ounce.

| LME WAREHOUSE STOCKS (As at Thursday's close) [illegible] | | |
|---|---|---|
| Aluminium | +19,375 | to 605,050 |
| Copper | +7,250 | to 303,250 |
| Lead | +2,150 | to 93,225 |
| Nickel | [illegible] | to 6,732 |
| Zinc | +9,675 | to 139,575 |
| Tin | +65 | to 15,225 |

At [illegible] London Metal Exchange the biggest move was in the nickel market, where [illegible] position [illegible] in [illegible] an 18-month low. Despite rallying on Thursday, on news of a production cut at a big refinery in Norway, and again yesterday, in response to an unexpected fall in exchange warehouse stocks, the price ended $95 down on balance at $7,945 a tonne.

The earlier fall had reflected continuing concern about slack physical offtake and expectations of a further rise in LME [illegible], which had nearly trebled since mid-July to 7,080 tonnes. And that expectation remains, [illegible] yesterday's surprise fall. Dealers estimate that [illegible] 10,000 [illegible] Soviet material is being prepared for the market in Rotter[illegible]. [illegible] European mills take all that material up, which seems unlikely, much of it could find its way into LME [illegible].

The copper market put in a stronger performance as prices were buoyed by a clutch of [illegible]damental and technical factors. Tightness of supplies for [illegible]tember delivery and chart-based US fund buying were backed up by the Chile Copper Corporation['s] announcement [illegible] had [illegible] production totalling 50,000 tonnes during [illegible] recent [illegible] at its Chuquicamata and El Teniente mines. Buyers were also encouraged by news of a fire that is likely [illegible] in sub[illegible]tial production [illegible] the 80,000-tonnes-a-year Port Kembla plant in Australia. In [illegible]kground meanwhile was growing optimism about an early upturn in the US economy.

The strike scheduled to begin on Wednesday at Minero Peru was postponed till next Tuesday, but that came as no surprise and the bullish factors were enough to push the cash copper price £28 higher on the week to £1,357 a tonne.

Zinc prices continued to be weighed down by slow physical [illegible] and high [illegible] – which rose by another 9,675 [illegible] yesterday to 139,575 [illegible] – and [illegible] months position on the LME fell in midweek to a life-of-contract low of $1,028 a tonne. But reports of withdrawal of metal from the exchange's Baltimore warehouses h[illegible]ed to steady [illegible] market [illegible] the three months price closed yesterday [illegible] a tonne, down $14 on the week.

At the London Futures and Options Exchange coffee traders were taking more notice of the plan to stabilise prices by withholding supplies in producing countries, details of which are to be presented by the Colombian president to his Brazilian [illegible] number on Monday. The [illegible] the two biggest coffee exporters.

As market operators covered themselves against the possibility that the plan, which they had thus far largely disregarded, might actually come to fruition the November futures price on Tuesday added £17 to the previous Friday's £11 rise. The advance was pared back a little but at yesterday's close the price was still showing a net rise of £14 at £554 a tonne.

**Richard Mooney**

## APPOINTMENTS

### Scottish Metropolitan deputy chairman

■ Professor Robert B. Jack, a non-executive director since 1980, has been appointed non-executive deputy chairman of THE SCOTTISH METROPOLITAN PROPERTY COMPANY. Professor Jack is senior partner of McGrigor Donald, a director of the Bank of Scotland, of Scottish Mutual Assurance Society, and of Gartmore Scotland Investment Trust, and is an independent member of The Securities and Futures Authority.

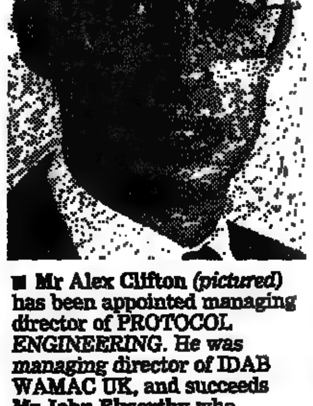
■ Mr Leigh Evans, founder of Evans-Munday, a contract negotiating service, has been appointed a non-executive director on the main board of national wine distributor CERT. Mr Evans, who has handled contract [illegible]otiations for CERT, will advise the board on purchasing policy.

■ [illegible] INTERNATIONAL has appointed Mr Mike Gaff as sales and marketing manager. He was product manager with PSDI UK.

■ McDONNELL DOUGLAS INFORMATION SYSTEMS, Hemel Hempstead, has promoted Mr Paul Davis to marketing manager for its integrated systems engineering group. He was an international product manager for McDonnell Douglas UNIX and Reality X [illegible].

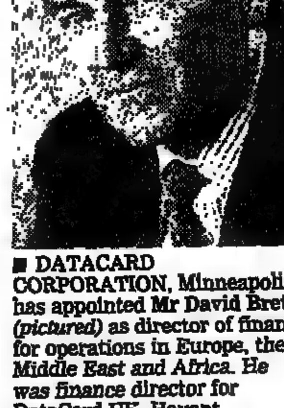
■ Mr Omar Babbar has become managing director of translation and interpretation company LINGUISTLINK following his take-over of the company, which was formed five years ago by Mr Sabita Amarnani.

■ ARGENT CREDIT GROUP, Slough, has appointed Mr Alexander T.T. Rottenburg as banking director, from October 2. He was a director of the Union Discount Company. He was previously a non-executive [illegible] of the Argent Credit Group.

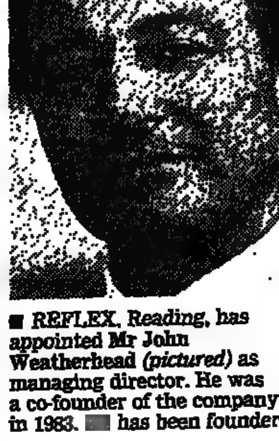


■ Mr Alex Clifton (pictured) has been appointed managing director of PROTOCOL ENGINEERING. He was managing director of IDAB WAMAC UK, and succeeds Mr John Elworthy who remains chairman.

■ BANKERS TRUST has made the following promotions to managing director in the London office: in global corporate finance - Mr Graham Clempson, Mr Gerrard Connell, Mr Stephen Davidson, Mr Alasdair Dundas, Mr Andrew Grabowski, Mr Juan Lopez-Quesada, Mr Jose Maldonado, Mr Bill Ronai, Mr Ted Giletti, Mr Constantinos Loizides, and Mr Peter Pouillada; in global markets - Mr Alejandro [illegible], Mr Mitch Frienberg, Mr Fergus Hoke, Mr Nicholas Jeffrey, Mr Gopel Menon, Mr Didac Artes, Mr Brian Farmer, Mr Lawrence Staden, and Mr John Holmes.



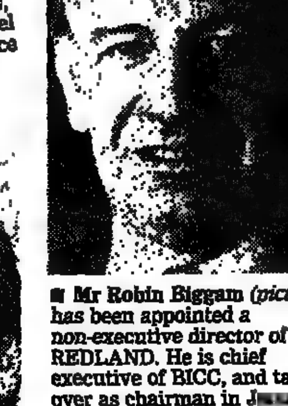
■ DATACARD CORPORATION, Minneapolis, has appointed Mr David Bretel (pictured) as director of finance for operations in Europe, the Middle East and Africa. He was finance director for DataCard UK, Havant.



■ REFLEX, Reading, has appointed Mr John Weatherhead (pictured) as managing director. He was a co-founder of the company in 1983. [illegible] has been founder and managing director of Frontline since 1985.

■ Mr Henry Liddell, Mr Nicholas Jackson, and Mr Giles Acheson-Gray have been appointed directors of GILES W. PRITCHARD-GORDON (SHIPBROKING).

■ Mr Michael Parker has been appointed European commercial director, and Mr John Scales becomes UK sales manager, at IMI YORKSHIRE FITTINGS, Leeds. Mr Parker was sales director, and Mr Scales was northern regional manager.



■ Mr Robin Biggam (pictured) has been appointed a non-executive director of REDLAND. He is chief executive of BICC, and takes over as chairman in J[illegible].

■ [illegible]ROSSLEE, Halifax, has appointed Mr David Heywood as financial controller. He was financial director of Horsell Graphic Industries.

■ Following the offer [illegible] JUPITER TARBUTT MERLIN HOLDINGS for Tyndall Holdings becoming unconditional, Mr R.P. Horton and Mr I. Meir, Tyndall directors, will join JTM board.

# FT MANAGED FUNDS SERVICE

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## AUTHORISED UNIT TRUSTS

[illegible]

## Guide to pricing of Authorised Unit Trusts

Compiled with the ass[illegible]ance of Lautro §§

**INITIAL CHARGE:** Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

**OFFER PRICE:** Also called issue price. The price at which units are bought by investors.

**BID PRICE:** Also called redemption price. The price at which units are sold back by investors.

**CANCELLATION PRICE:** The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

**TIME:** The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: [illegible]

**HISTO[illegible] PRICING:** The letter H denotes that the [illegible] will normally deal on the price [illegible] on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. [illegible] managers must deal at a forward price on request, and may move to forward pricing at any time.

**FORWARD PRIC[illegible]:** The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

**SCHEME PARTICULARS AND REPORTS:** The most recent report and Scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation.
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071 – 379 – 0444.

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## INSURANCES

## OTHER UK UNIT TRUSTS

Continued on next page

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### N & P Life Assurance Ltd
6-7 Bedford Row, London WC1R 4UJ 071-430 2348

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| Life Managed Fd | 109 2 | 114.9 | +0 1 | - |
| Pension Managed Fd | 108 5 | 114 2 | +0 1 | - |
| Life Deposit Fd | 109 0 | 114.8 | .. | - |
| Pension Deposit Fd. | 114 9 | 121 0 | .. | - |

### National Financial Management Corp PLC
72 Gatehouse Rd Aylesbury, HP19 3XJ 0296 395539

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| **Life Funds** | | | | |
| Managed Cautionary | 119 2 | 125.5 | (z) | - |
| Managed Growth | 146 2 | 153 9 | (z) | - |
| Managed Opportunity | 146 7 | 154.5 | (z) | - |
| NFMC Target Financial | 105 9 | 111.5 | (z) | - |
| **Pension Funds** | | | | |
| Managed Cautionary | 129 3 | 136 2 | (z) | - |
| Managed Growth | 154 5 | 162 7 | (z) | - |
| Managed Opportunity | 146 9 | 154.7 | (z) | - |
| NFMC Target Mngd Pen. | 1574 9 | 1657 8 | (z) | - |

### National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 [illegible]422

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| **Harvester Pension Funds** | | | | |
| Managed | 166 7 | 175.5 | | - |
| UK Equity | 178 2 | 187 6 | | - |
| Overseas Equity | 134.5 | 141 6 | | - |
| Fixed Interest | 149.3 | 157.2 | | - |
| Property | 133.5 | 140 6 | | - |
| Index Linked | 148 0 | 155 8 | | - |
| Deposit | 160 3 | 168.8 | | - |
| With Profits (B) | 131.3 | 138 3 | | - |

### National Provident Institution
48 Gracechurch St, London EC3P 3HH 071-623 4200

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| Managed | 361 9 | 381 0 | +0 7 | - |
| UK Equity | 459 6 | 483 8 | -0 2 | - |
| Overseas Eq | 354 4 | 373 1 | +2 1 | - |
| Americas | 298 6 | 314 4 | +1 9 | - |
| Far East | 362 4 | 381 5 | +4 9 | - |
| Property | 193 4 | 203 6 | +0 2 | - |
| Fixed Int. | 265 4 | 279 4 | +0 2 | - |
| Indexed Gilt | 157 0 | 165 3 | +0 2 | - |
| Deposit | [illegible]7 | 194.5 | | - |
| **Pension Fund (Accum U[illegible]** | | | | |
| Managed | [illegible]2 | 546.6 | +0 7 | - |
| UK Equity | [illegible]2 | [illegible] | -0 9 | - |
| Overseas Eq. | [illegible]2 | [illegible] | +4.5 | - |
| Americas | [illegible]0 | [illegible] | +3.1 | - |
| Far East | [illegible]2 | [illegible] | +4.0 | - |
| Property | [illegible]1 | [illegible] | +0.3 | - |

### Providence Capital Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

| | Bid Price | Offer Price | + or - | Yield Gross |
|---|---|---|---|---|
| UK Equity Acc | 234.8 | 247.2 | .... | - |
| UK Fixed Int Acc | 181 7 | 191 7 | +0 2 | - |
| Intl Equities Acc | 179 2 | 189.1 | +0 6 | - |
| UK Managed Acc | 178.0 | 187 7 | +0 1 | - |
| Property Acc | 224.2 | 236.6 | .. | - |
| Money Acc | 131.1 | 138 3 | .. | - |
| Special Market Acc | 147.7 | 155.9 | +0.5 | - |
| Japan Equity Acc | 97 1 | 102.5 | +1.0 | - |
| North American Acc | 110 8 | 116 9 | .. | - |
| Pacific Acc | 93 7 | 98 9 | +0 8 | - |
| Technology Acc | 128.1 | 135 2 | +2.2 | - |
| Nat Resources Acc | 54 2 | 57.2 | -0.8 | - |
| European Acc | 102.5 | 108.2 | - | - |
| Residential [illegible]op Acc | 96.3 | 101.6 | -- | - |
| Swiss Equ[illegible] Acc | 34 6 | 36.5 | | - |
| Hong Kon[illegible] | 68 8 | 72 6 | +0.8 | - |
| UK High [illegible] Acc | 76 2 | 80.4 | +0.1 | - |
| Int Fixed Interest Acc | 58 9 | 62.2 | +0 1 | - |
| Int Managed Acc | 57.3 | 60.4 | +0.1 | - |
| HIP Managed Acc | 121.0 | 127 6 | +0.3 | - |
| HIP Managed II Acc | 103.5 | 109.1 | +0 2 | - |
| HIP Managed III Acc | 110.4 | 116 4 | +0.2 | - |
| **Total Investment Bond** | | | | |
| UK Equity Initial | | 159 5 | -0 1 | - |
| UK Fixed Int Initial | | 123.8 | +0 2 | - |
| Intl Equities Initial | | 121 1 | +0.4 | - |
| UK Managed Initial | | 121.2 | +0.1 | - |
| Property Initial | | 153.7 | .. | - |
| Money Initial | | 89 6 | .. | - |
| Special Market Initial | | 114 7 | +0.3 | - |
| Japan Equity Initial | | 75 3 | +0 6 | - |
| North American Initial | | 85.9 | .. | - |
| Pacific Initial | | 72.8 | +0.7 | - |
| Technology Initial | | 99.4 | +1.6 | - |
| Nat Resources Initial | | 42.0 | -0 6 | - |
| European Initial | | 91 9 | .. | - |
| Residential Prop Init. | | 91.9 | .. | - |
| Swiss Equities Initial | | 33 0 | +0 1 | - |
| Hong Kong Initial | | 65.6 | +0 6 | - |
| UK High Inc Eq Init | | 72.8 | +0.1 | - |
| Int Fixed Interest Init. | | 57 0 | +0 1 | - |
| Int Managed Init. | | 55.5 | +0.1 | - |
| HIP Managed Init. | | 117.5 | +0.3 | - |
| HIP Managed II Initial | | 101 9 | +0.2 | - |
| HIP Managed III Init. | | 109 9 | +0 2 | - |
| **Broker Funds** | | | | |
| High Performance | 75.2 | 79.3 | +0 1 | - |
| Towerhill Mngd Fd Acc | 64.1 | 67 6 | +0 7 | - |
| YRA Executive Fd. | 96.8 | 102.1 | +0.3 | - |
| £ Global Growth Acc. | 131.5 | 138.7 | +0.5 | - |
| £ High Income Mgd Acc | 142.0 | 149.7 | .. | - |

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## ISLE OF MAN (SIB RECOGNISED)

## JERSEY (REGULATED)(**)

## LUXEMBOURG (SIB RECOGNISED)

## LUXEMBOURG (REGULATED)(**)

## ISLE OF MAN (REGULATED)(**)

## JERSEY (SIB RECOGNISED)

## SWITZERLAND (SIB RECOGNISED)

## OTHER OFFSHORE FUNDS

## MANAGED FUNDS NOTES

# WORLD STOCK MARKETS

## US MARKETS (3:00 pm)

| August 30 | US$ | + or − |
|---|---|---|
| AAR Corp | 16⅞ | +⅛ |
| AMP Inc | 53⅛ | −⅝ |
| AMR Corp | 59 | −⅛ |
| ASA | 44¼xd | −⅛ |
| Abbott Labs | 54¼ | −⅝ |
| Acme Cleveland | 6⅝ | +⅛ |
| Adobe Res | 7⅞ | +⅛ |
| Advanced Micro | 12¼ | +⅛ |
| Aetna Life | 35¼ | +¼ |
| Affiliated Publ | 9 | |
| Ahmanson (HF) | [illegible] | −½ |
| Air Prod & Chemical | 68⅞ | −⅜ |
| Alberto-Culver B | 23½ | −⅝ |
| Albertson's | [illegible] | −⅛ |
| Alcan Aluminium | 20⅝ | −¼ |
| Alco Standard | 33¼ | −⅛ |
| Alexander & Alex | 20⅝xd | −⅜ |
| Alex & Baldwin | 26⅜ | |
| Allegheny Power | 41⅛ | |
| Allied Signal | 38½ | −¼ |
| Aluminium Co of Am | 69¼ | +⅛ |
| Amax | 21 | −⅝ |
| Amdahl Corp | 15½ | −⅛ |
| Amerada Hess | [illegible] | −¼ |
| Amer Brands | 44¼ | −¼ |
| Amer Cyanamid | 66xd | −⅜ |
| Amer El Power | 30 | |
| Amer Express | 26¼ | −½ |
| Amer Family Corp | 24 | |
| Amer Genl Corp | 39½ | +⅛ |
| Amer Greetings Cl A | 33¼xd | |
| Amer Home Pr | 64⅝ | −¼ |
| Amer International | 84¼xd | |
| Amer Natl Ins | 34xd | +¼ |
| Amer Stores | 39⅞ | −⅜ |
| Amer T & T | 38⅞ | +¼ |
| Ameritech | 61⅛ | −¼ |
| Ames Dept Stores | 1.62 | −0.13 |
| Ametek Inc | 12¼xd | |
| Amoco | 52½ | −⅛ |
| Analog Devices | 7⅞ | +⅛ |
| Anheuser-Busch | 54⅛ | |

| August 30 | US$ | + or − |
|---|---|---|
| Contl Bank Corp | 12½ | −⅝ |
| Contl Corp | 25⅝xd | −⅛ |
| Control Data | 8¼ | −⅛ |
| Cooper Inds | 55⅝ | +⅛ |
| Coors (Adolph) | 20 | +⅛ |
| Corestates Finl | 46⅜xd | −⅛ |
| Corning Inc | 70⅝ | −⅛ |
| Crane | 26⅞xd | +⅛ |
| Cray Research | 43½ | −¼ |
| Cross & Trecker | 5⅝ | −⅛ |
| Crown Cork & Seal | 87½ | +¼ |
| Cummins Engine | 39 | −½ |
| Curtiss-Wright | 33 | |
| Cypress Semicond | 21⅛ | |
| Cyprus Minerals | 20⅞ | −⅛ |
| DSC [illegible] | 5¼ | |
| DQE | 27⅞xd | |
| Dana Corp | 29⅜ | |
| Data General | 19⅝ | −⅜ |
| Dayton Hudson | 78 | −1¼ |
| Deere | 52⅜xd | −1 |
| Delmarva Pow & L | 19⅜ | −⅛ |
| Delta Air Lines | 66⅜ | −⅜ |
| Deluxe Corp | 46¼ | −⅛ |
| Detroit Edison | 30⅛ | −¼ |
| Dial Corp Ariz | [illegible] | |
| Diebold Inc | 45¼ | +½ |
| Digital Comms | 12¼ | |
| Digital Equipment | 63⅛ | +¼ |
| Dillard Dept St | 131⅞ | −⅛ |
| Disney (Walt) | 118⅝ | |
| Dominion Res | 49¼ | −⅛ |
| Donnelley (RR)&Sons | 47¼ | |
| Dover Corp | 38⅜xd | |
| Dow Chemicals | 53⅜ | −⅛ |
| Dow Jones | 26¼ | |
| Dravo Corp | 9⅜ | |
| Dresser | 20¼xd | |
| Dreyfus Corp | 32⅛ | +⅛ |
| Duke Power | 30 | |

| August 30 | US$ | + or − |
|---|---|---|
| Kellogg | [illegible] | |
| Kennametal | [illegible] | |
| Kerr-McGee | [illegible] | |
| KeyCorp | [illegible] | |
| Kimberly-Clark | [illegible] | |
| King World Prods | [illegible] | |
| Knight-Ridder | [illegible] | |
| Kroger | [illegible] | |
| LSI Logic | [illegible] | |
| Legget & Platt | [illegible] | |
| Leucadia Natl | [illegible] | |
| Lilly (Eli) | [illegible] | |
| Limited Inc | [illegible] | |
| LIN Broadcasting | [illegible] | |
| Lincoln Nat | [illegible] | |
| Litton | [illegible] | |
| Liz Claiborne | [illegible] | |
| Lockheed Corp | [illegible] | |
| Loews Corp | [illegible] | |
| Lone Star | [illegible] | |
| Long Island Light | [illegible] | |
| Longs Drug Stores | [illegible] | |
| Loral Corporation | [illegible] | |
| Lotus Dev Corp | [illegible] | |
| Louisiana Land | [illegible] | |
| Louisiana Pacific | [illegible] | |
| Lowe's Co Inc | [illegible] | |
| Lubrizol | [illegible] | |
| MA Comm Inc | [illegible] | |
| MCI Commun | [illegible] | |
| Manor Care | [illegible] | |
| Manuf Hanover | [illegible] | |
| Manville Corp | [illegible] | |
| Mapco Inc | [illegible] | |
| Marion Merrell | [illegible] | |
| Marriott | [illegible] | |
| Marsh & McLennan | [illegible] | |

[illegible]

## CANADA (3:00 pm)

[illegible]

## AUSTRIA

[illegible]

## BELGIUM/LUXEMBOURG

[illegible]

## DENMARK

[illegible]

## FINLAND

[illegible]

## FRANCE

[illegible]

## GERMANY

[illegible]

## ITALY

[illegible]

## NETHERLANDS

[illegible]

## NORWAY

[illegible]

## SPAIN

[illegible]

## SWEDEN

[illegible]

## SWITZERLAND

[illegible]

## SOUTH AFRICA

[illegible]

## JAPAN

[illegible]

## AUSTRALIA

[illegible]

## HONG KONG

[illegible]

## MALAYSIA

[illegible]

## SINGAPORE

[illegible]

Price data supplied by Telekurs.

## INDICES

### NEW YORK

### DOW JONES

[illegible]

### STANDARD AND POOR'S

[illegible]

### NEW YORK ACTIVE STOCKS

[illegible]

### TRADING ACTIVITY

[illegible]

### CANADA

### TORONTO

[illegible]

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. [illegible]

# WORLD STOCK MARKETS

**AMERICA**

## Futures-related sell program weighs on Dow

### Wall Street

FUTURES-RELATED program selling and a weak bond market prompted a fall in share prices yesterday morning, [illegible] *Patrick Harverson in New York.*

By 1 p[illegible] the Dow Jones Industrial Average [illegible] down [illegible] at 3,038.91. The other main indices were [illegible] [illegible] midsession, with the more broadly-based Standard [illegible] Poor's 500 2.02 lower at [illegible] [illegible] 1 pm, and [illegible] Nasdaq [illegible]posite of over-the-counter [illegible] at 524.34. Turnover on [illegible] NYSE [illegible] 81m shares by 1 pm, [illegible] outpaced rises by almost two to one.

In one of the quietest sessions so far this year, as many traders and investors took the day off yesterday to extend the Labour Day holiday weekend, [illegible] a lack [illegible] buying incentives.

[illegible] stronger-than-expected [illegible] of leading economic [illegible] for July was [illegible] welcome sign that the economy is recovering from the recession, but fear that the data might persuade the Federal Reserve that there [illegible] to cut [illegible] deterred buying.

[illegible] Bank fell $¾ [illegible] after announcing a special $175m provision for loan losses, a cut in its quarterly dividend from 25 cents a share to 15 cents a share, and the abandonment of its status as a primary dealer in US government securities. The fact that the market had expected these actions – and priced them into the stock accordingly – limited yesterday's declines.

Coca-Cola Enterprises fell [illegible] to [illegible] after announcing [illegible] acquisition of [illegible] Johnston Bottling Corporation in a stock swap deal worth $427m. The company also warned of a decline in 1991 net profits to between 30 cents and 50 cents a share.

Coca-Cola, which owns large stakes in both companies and which will hold an equally large stake in the newly [illegible] [illegible]tion, eased $¼ to $65⅞. PepsiCo, Coca-Cola's main rival, eased [illegible] to [illegible].

[illegible] dropped [illegible] to $31¼ on the news that [illegible] joined [illegible] with three Japanese [illegible] – Fujitsu, Hitachi and Sony – in a partnership to develop high-density television technology.

On the over-the-counter market, the most actively traded stocks were the big technology issues, including Microsoft, down [illegible], Intel, down $1⅛ at $49⅞, Borland International, which rose [illegible] to $54⅜ and Sun Microsystems, down $1⅛ at $32.

McCaw Cellular Communications rose $¾ to $28⅛ in active trading as the market applauded the company's cellular telephone joint [illegible] with [illegible].

Allwaste [illegible] $⅜ to $5⅝ [illegible] division [illegible] IAM/Environmental for $4.[illegible] The sale [illegible] to an [illegible] charge [illegible] fourth quarter, [illegible] it still expected to report a profit for the final three-month period.

### Canada

WEAKNESS IN gold and some bank shares, and general lack of interest ahead of the long weekend drove Toronto stocks lower at midday. The TSE-300 composite index eased 7.9 to 3,507.0. Declining issues led advances by 195 to 173 on volume of 11.7m shares valued at C$160.6m.

Weak bullion prices pushed gold shares lower. Placer Dome eased C$⅛ to C$12⅛, Teck Corp class B fell C$¼ to C$19⅞ and Echo Bay slipped C$⅛ to C$8⅞. American Barrick fell another C$½ to C$24⅝ after [illegible] on Thursday. Barrick's chairman, [illegible] Peter Munk, said on Thursday that he planned to sell up to 2m common [illegible] of the gold company [illegible] satisfy Canadian tax [illegible].

Several analysts [illegible] their earnings estimates [illegible] National Bank of [illegible] Toronto-Dominion Bank after they reported disappointing third quarter results on Thursday. Toronto-Dominion fell C$⅜ to C$18¼ and National Bank was flat at C$10⅞ after recovering from an earlier loss of C$⅛.

### SOUTH AFRICA

GOLD shares came under pressure as world bullion prices slumped below $350. Vaal Reefs fell R3 to R185. The all-gold index dropped 33 or 3 per cent to 1,077. The industrial index fell 13 to 4,114 and the all-share index 33 to 3,349.

**EUROPE**

## Chemicals feature in Frankfurt and Paris

CHEMICAL AND drug companies [illegible] yesterday as [illegible] on [illegible] week, [illegible] *Markets Staff.*

FRANKFURT was disheartened by government forecasts that the economy would only grow by around [illegible] per [illegible] for the wh[illegible] 1991, [illegible] considerable [illegible] in [illegible] second half [illegible]. The economy grew by 4.5 per cent last year.

But gains in the chemical sector in the wake of this week's second quarter results kept the [illegible] yesterday [illegible] 1,650.50, after a 2.73 decline to 686.26 in [illegible] midsession. Index gains on [illegible] were 1.4 and 1.3 [illegible] respectively.

In [illegible] review of European chemicals, [illegible] Capital Markets notes [illegible] production in Germany has, in [illegible] been underpinned by [illegible] buoyant industrial production. Without this prop [illegible] expected [illegible] find the going tougher than of late.

Bayer, which has the least exposure to bulk chemicals of the big three German chemical companies, rose DM4.10 to DM283.50; BASF rose DM3.10 to [illegible] and Hoechst, clearly the [illegible] performer of [illegible] three, [illegible] another DM4.20 to DM240.20.

**FT-SE Eurotrack 100 - Aug 30**

Hourly changes

| Open | 10 am | 11 am | [illegible] | 1 pm | 2 pm | 3 pm | Close |
|---|---|---|---|---|---|---|---|
| 1124.75 | 1124.47 | [illegible] | [illegible] | [illegible] | 1123.50 | 1125.11 | 1125.84 |

Day's High [illegible] Day's Low [illegible]

| Aug [illegible] | Aug [illegible] | Aug [illegible] | Aug 23 | Aug 22 |
|---|---|---|---|---|
| 1124.82 | 1121.03 | [illegible] | 1112.34 | 1108.61 |

Base value 1000 [illegible]

Outside chemicals, the main interest was in special situations. Hoesch, the steelmaker and engineer, rose DM9.10 to DM292.10 as old takeover rumours resurfaced.

Salamander, the shoemaker with east European appeal, rose DM13 to DM371.

Continental, [illegible] tyremaker, finished [illegible] higher [illegible] (after [illegible] gain [illegible] Thursday) [illegible] plans [illegible] prices [illegible] close [illegible] plant in [illegible]ing [illegible] operation.

Asko, [illegible] retailer, put [illegible] DM17.50 to [illegible] per [illegible] jump [illegible] profits.

PARIS [illegible] quietly for most of the day but then got a boost late in the afternoon as options expired. By 3.30 pm local time turnover stood at FFr1.7bn but it then jumped to FFr2.8bn by the close, boosted by option-linked activity and two block trades in Havas. The CAC 40 index closed 6.52 higher at 1,884.26, up 1.7 per cent on the week.

Drug companies were in demand after the government's latest proposals on pricing and R and D were seen as more favourable to drug manufacturers than they had originally expected.

Rhône-Poulenc certificates gained FFr19 or 4.8 per cent to FFr418.90 on unusually heavy volume of 161,750 shares, also boosted by a report in the daily newspaper, les Echos, that the Finance Ministry might sell voting rights to investment [illegible] in [illegible]panies. Sanofi rose FFr28 or 3 per cent to FFr949 in solid volume of 83,625 shares. Synthelabo added FFr36 to FFr919.

Mr Mark Tracey, pharmaceu[illegible] analyst [illegible] in London, [illegible] policy will probably lead [illegible] further consolidation [illegible] pharmaceuti[illegible] industry [illegible] will also [illegible] profit margins.

MILAN [illegible] higher but [illegible] opening levels. The [illegible] 2.74 to [illegible] was [illegible] on [illegible] week. Trading was [illegible] Thursday's [illegible].

[illegible] insurance [illegible] was depressed by [illegible] fell [illegible] close of L16,890 [illegible] rebounding [illegible] hours.

Cementir, [illegible]pany [illegible] strongly [illegible] week, dropped L24 to L2,740 [illegible] profit-taking.

Montedison, which announced a [illegible] in its workforce as part of its restructuring [illegible] chemical [illegible] gained L4 [illegible] L1,349.

AMSTERDAM [illegible] in quiet trading. [illegible] tendency [illegible] ended [illegible] lower at 91.2, down 0.4 per cent on the week.

Among second-liners, [illegible] KBB closed Fl 6.70 [illegible] in reaction [illegible] news [illegible] on Thursday that its first half net profit dropped to Fl 9.7m from Fl 22.1m.

BRUSSELS continued [illegible] love/hate [illegible] with individual stocks, this [illegible] the retailer Colruyt which rose [illegible] BFr3,[illegible] the [illegible] nical grounds, and demand was said to have come mainly from British investors.

The Bel-20 index rose 7.36 to 1,128.92, 0.7 per cent higher on the week.

OSLO closed mostly lower in dull trading. The all-share index fell 0.99 to 521.75, up 1.1 per cent on the week.

Hafslund B shares were heavily traded after Mega Pacific International, in which the Hafslund Nycomed board chairman has interests, sold 250,000 shares at NKr237 each. The stock fell NKr2 to NKr238.

MADRID saw a second quarter recovery in profits at Telefonica, which rose Pta12 to Pta982 as the general index closed 1.74 higher at 273.17, up 1.2 per cent on the week.

## Stockholm suffers a bout of pre-election nerves

**John Burton** on Europe's best performer this year

STOCKHOLM, Europe's best performing bourse so far in 1991, [illegible] drifting [illegible] year's peak in mid-July when it [illegible] week by [illegible] crisis [illegible] collapse [illegible] empire [illegible] by [illegible] financier Mr Erik Penser.

[illegible] came at a [illegible] getting nervous [illegible] general [illegible] September 15. Mat[illegible] helped by [illegible] generally [illegible] half-[illegible] results [illegible] week.

[illegible] provided an exception. [illegible] yesterday [illegible] pharmaceu[illegible] company [illegible] the market as its free B's rose SKr7 to [illegible]. The Affärsvärlden [illegible] 1,097.5, [illegible] 1.9 [illegible] week.

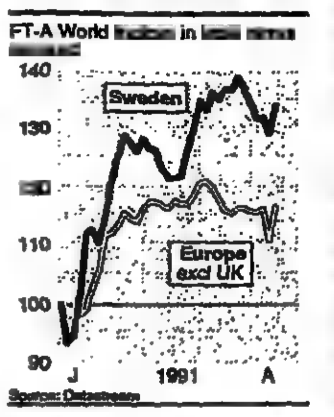
Otherwise, the [illegible] results [illegible] to [illegible] terday [illegible] a [illegible] operating profits plunge [illegible] SKr1.51bn. In forestry, [illegible] free [illegible] steady [illegible]. After [illegible] close, MoDo [illegible] would report [illegible] for May-August when [illegible] eight-month results [illegible] 11.

Meanwhile, [illegible] Penser's [illegible] linger. The problems [illegible] finance company, Gamlestaden, [illegible] provoking worries that [illegible] finance [illegible] property compa[illegible] collapse under [illegible] weight [illegible] growing [illegible] increase [illegible] banks, leading to further restrictions on lending and, higher interest rates; economic recovery [illegible] delayed [illegible] a result.

[illegible] a [illegible] déjà [illegible] week. A year [illegible] the [illegible] coasting [illegible] new highs during [illegible] but [illegible] sharply brought back [illegible] earth by the Iraqi invasion of [illegible] in August. That precipitated a steep [illegible] in share prices, [illegible] Stockholm ending [illegible] with one of the [illegible] performances [illegible] history.

Few expect that [illegible] crumble this [illegible] in [illegible] similarly dramatic fashion, [illegible] for [illegible] year is uninspiring. So far in [illegible] Sweden [illegible] by [illegible] cent, according [illegible] FT-Actuaries [illegible] indices, double the 17.3 per [illegible] rise for Europe excluding the UK.

One crucial factor will be the general election results. Investors are more concerned about whether [illegible] government [illegible] be [illegible] and [illegible] interested in its political complexion. The [illegible] the ruling Social Democrats would not necessarily disappoint the bourse, given the government's more market-oriented approach in the past year. A non-socialist four-party coali[illegible] likely [illegible] present problems [illegible] squabbling [illegible] slow down promised reforms, ranging from [illegible] privatisation [illegible].



Source: Datastream

[illegible] news [illegible] likely in [illegible] when [illegible] present [illegible] eight [illegible] of [illegible] will [illegible] banks, construction and build[illegible] companies, [illegible] forestry [illegible], which are [illegible] prime [illegible].

[illegible] doing their [illegible] reassure [illegible] market [illegible] resulting from their lending [illegible] the finance companies are being brought under [illegible] Banken, [illegible] country's biggest bank, claims that its losses will [illegible] this [illegible] despite the [illegible] crisis. [illegible] arranging a [illegible] package for Barkman, a property company, [illegible] prevent [illegible] into liquidation [illegible] causing [illegible].

[illegible] crisis [illegible] a [illegible] about an improvement in the economy, especially if interest rates rise as [illegible] more for loans. [illegible] fall in [illegible] this spring, resulting from [illegible] decision [illegible] link [illegible] krona to [illegible] ECU, [illegible] one [illegible] behind [illegible] bourse's buoyant performance.

Economists were also betting that interest rates would fall further as inflation was brought under control, resulting from stabilised wage agreements and lower import prices. Other developments, however, have dampened previous optimism about interest rates. They include an increase in [illegible] outflows, [illegible] growing [illegible] in [illegible] government [illegible] and the rise in German [illegible].

Although most economists predict an economic recovery next year, it will be weak at best, with a GNP growth rate [illegible] than one per cent. Export-dependent Swedish companies are also anxiously watching for signs of growth [illegible]. The expected improvement in the [illegible] and UK would [illegible] as a [illegible] are among [illegible]. But [illegible] Germany, [illegible] customer, [illegible] weakening. James Capel, the London broker, predicts that Swedish corporate earnings will increase by an average of 20 per cent next year on the back of more foreign orders. But it contends that the "good news regarding 1992 earnings has been fully discounted, and there is always the danger that the increase in order books may not live up to expectations, at least initially". It does not believe that Stockholm will outperform Europe over the next 12 months.

Other analysts [illegible] that strong technical [illegible] will keep [illegible] bourse [illegible] Kleinwort [illegible] the market [illegible] benefiting from good liquidity. There are few new share or rights issues, except for [illegible] by Nordbanken, [illegible] being [illegible] mainly by government [illegible]cies; and [illegible] buy-outs [illegible] Alfa Laval and [illegible] this [illegible] freed [illegible] SKr10bn for reinvestment, contributing [illegible] in January and May.

**ASIA PACIFIC**

## Hopes of lower interest rates lift Nikkei

### Tokyo

INTEREST rate hopes and a rise in bond prices prompted buying from foreigners and domestic investors yesterday, *writes Emiko Terazono in Tokyo.*

The Nikkei average rose 333.70 to 22,335.87, after opening at the day's low of 22,059.11 and hitting the day's high of 22,350.00 in the morning.

Volume rose to 300m shares from 220m. Traders attributed a third of the volume to activity by foreigners. An investor based in the Middle East was also seen buying on dips.

Advances led declines by 757 to 187 with 126 unchanged. The Topix index of all first section stocks closed at 1,732.10, up 25.50 and, in London, the ISE/Nikkei 50 index rose 3.69 to 1,330.88.

Bond prices rose on rumours that the Bank of Japan would lower interest rates as early as next week. The yield on the 129 10-year benchmark ended at 6.340 per cent, down from 6.365.

All sectors except fisheries [illegible] Interest rate-sensitive large-capital [illegible] were firm on prospects of an imminent discount rate cut. Nippon Steel, the most active issue of the day, rose Y13 to Y411, and Mitsui Engineering and Shipbuilding added Y8 to Y565.

Sanrio, the greeting card maker, dropped Y150 to Y2,690. Investors were unnerved by reports that the company [illegible] suffer [illegible] Y10bn pre-tax loss for [illegible] half-year [illegible] September, due to heavy losses on stocks.

Meiji Seika, the confectioner, surged Y100 to Y845 on reports that the company had developed an antibiotic which inhibits cancer.

Nippon Carbon rose Y50 to Y1,280 after a peak of Y1,310. Rumours that speculators are interested in the stock has attracted investors looking for quick profits.

Dia Kensetsu, the condominium broker, fell Y20 to Y2,050. Investors were discouraged by the failure of Maruko, the condominium developer.

In Osaka, the OSE average rose 265.34 to 23,817.73 on volume of 22m shares. Nintendo, the game maker, fell Y200 to Y11,700 on small-lot selling. There were concerns about the stock's high margin balance accumulated in March.

### Roundup

TOKYO's [illegible] mood was reflected in several markets.

SINGAPORE extended Thursday's gains with a 24.78 rise in the Straits Times [illegible] trial index to 1,432.24, 3.1 per cent higher on the week, on strong buying interest from institutions and individuals. Turnover rose from S$85.6m to S$135.7m. KUALA LUMPUR moved up in line, the KLSE composite index putting on 7.66 to 558.46, 1.8 per cent better on the week.

HONG KONG's Hang Seng index climbed 38.03 to 3998.26, but fell 0.6 per cent on the week, turnover easing from HK$1.41bn to HK$1.38bn. Recovery hopes lifted Swire Pacific 40 cents to [illegible] after a 1 per cent decline in half-year earnings.

Enthusiasm was also fanned by talk in the local press that Jardine Matheson is making progress in its talks with securities regulators. The company is seeking to be allowed to retain a secondary listing in Hong [illegible] after [illegible] its primary listing to London.

TAIWAN rallied on reports that [illegible] government has changed its [illegible] attitude towards [illegible] market. The weighted [illegible] 207.62, or [illegible] cent [illegible] up just 0.9 [illegible] cent on the [illegible].

[illegible] Capel [illegible] said that the [illegible] stopped [illegible] the International [illegible] Bank [illegible] since the [illegible] below 4,500. ICBC shares closed at T$114, down sharply from T$240 in late May [illegible] the government began unloading its holdings.

BANGKOK rose 4.3 per cent on the week after a 12.44 gain in the SET index to 705.65 yesterday in heavy turnover of Bt4.26bn. SEOUL, in contrast, fell 2.2 per cent on the week as the composite index closed up 0.77 on the day at 686.21.

MANILA's composite index slipped 7.13 to 1,017.56, still 5 per cent higher on a week enlivened by hopes that the US military will maintain their presence in the Philippines.

AUSTRALIA's All Ordinaries [illegible] 0.1 [illegible] 1,540.4, fractionally lower on the week.

## FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, [illegible] & Co., and County NatWest/Wood [illegible] in conjunction with the [illegible] and [illegible] Faculty [illegible]

| NATIONAL AND REGIONAL MARKETS — Figures in parentheses show number of lines of stock | THURSDAY AUGUST 29 1991: US Dollar Index | Day's Change % | Pound Sterling Index | Yen Index | DM Index | Local Currency Index | Local % chg on day | Gross Div. Yield | [illegible] AUGUST 28 [illegible]: US Dollar Index | Pound Sterling Index | Yen Index | DM [illegible] | Local Currency Index | [illegible]: 1991 High | 1991 Low | Year ago (approx) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Australia (68) | 146.31 | −0.1 | 129.00 | 126.71 | 132.82 | 124.06 | +0.0 | 5.00 | 146.42 | 128.45 | 126.48 | 132.46 | [illegible] | [illegible] | 112.74 | 144.85 |
| Austria (20) | 175.30 | +0.7 | 154.56 | 151.81 | 159.13 | 158.67 | +0.7 | 1.78 | 174.11 | 152.74 | 150.40 | 157.51 | [illegible] | 222.37 | [illegible] | 236.32 |
| Belgium (47) | 127.87 | +0.1 | 112.75 | 110.73 | 116.07 | 112.89 | +0.0 | 5.25 | 127.73 | 112.05 | 110.32 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Canada (114) | 140.07 | −0.1 | 123.50 | 121.29 | 127.14 | 115.88 | −0.1 | 3.28 | 140.21 | 123.00 | 121.10 | [illegible] | [illegible] | [illegible] | 128.49 | 134.09 |
| Denmark (37) | 252.54 | −0.1 | 222.66 | 218.70 | 229.24 | 230.81 | −0.1 | 1.58 | 252.71 | 221.69 | 218.29 | [illegible] | [illegible] | [illegible] | 217.74 | 258.27 |
| Finland (16) | 97.04 | +2.0 | 85.56 | 84.04 | 88.09 | 85.77 | +0.9 | 2.81 | 95.18 | 83.50 | 82.22 | [illegible] | [illegible] | [illegible] | [illegible] | 122.91 |
| France (109) | 136.51 | +0.2 | 120.36 | 118.21 | 123.91 | 126.88 | +0.5 | 3.50 | 136.30 | 119.57 | 117.72 | 123.29 | 126.25 | 152.26 | 119.11 | 144.36 |
| Germany (65) | 109.06 | +0.2 | 96.16 | 94.46 | 99.00 | 99.00 | +0.5 | 2.27 | 108.89 | 95.53 | 94.07 | 98.50 | [illegible] | [illegible] | [illegible] | [illegible] |
| Hong Kong (55) | 164.90 | −0.1 | 145.39 | 142.80 | 149.69 | 164.26 | −0.1 | 4.29 | 165.04 | 144.78 | 142.55 | [illegible] | [illegible] | [illegible] | [illegible] | 125.65 |
| Ireland (18) | 155.54 | +0.5 | 137.14 | 134.69 | 141.19 | 141.76 | −0.2 | 3.53 | 154.77 | 135.78 | 133.69 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Italy (77) | 71.46 | +0.5 | 63.00 | 61.88 | 64.86 | 69.51 | +0.6 | 3.36 | 71.12 | 62.39 | 61.43 | [illegible] | 68.94 | [illegible] | 94.76 | 93.48 |
| Japan (474) | 123.03 | +1.3 | 108.46 | [illegible] | 111.70 | [illegible] | +1.5 | 0.79 | 121.50 | 106.59 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | 129.37 |
| Malaysia (68) | 203.04 | +2.0 | 179[illegible] | [illegible] | [illegible] | [illegible] | +1.9 | 2.98 | 199.01 | 174.59 | 171.88 | [illegible] | [illegible] | [illegible] | [illegible] | 216.17 |
| Mexico (18) | 1223.71 | +1.3 | 1078[illegible] | [illegible] | 1110.61 | [illegible] | +1.3 | 1.33 | 1207.95 | 1059.71 | 1043.42 | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Netherland (31) | 137.03 | −0.1 | 120.82 | 118.66 | [illegible] | [illegible] | +0.2 | 4.36 | 137.14 | 120.31 | 118.46 | [illegible] | [illegible] | [illegible]73 | 125.70 | 137.36 |
| New Zealand (14) | 46.48 | −0.3 | 40.98 | 40.25 | 42.19 | [illegible] | −0.5 | 7.10 | 46.69 | 40.91 | 40.28 | [illegible] | [illegible] | [illegible] | 41.18 | [illegible] |
| Norway (31) | 202.88 | −0.1 | 178.88 | [illegible] | 184.17 | [illegible] | +0.0 | 1.50 | 203.12 | 178.19 | 175.46 | 183.75 | 187.54 | 223.24 | 178.58 | 261.30 |
| Singapore (38) | 190.96 | +1.6 | 168.37 | 165.37 | 173.34 | 151.28 | +1.4 | 2.27 | 187.93 | 164.87 | 162.34 | 170.01 | 149.14 | 206.25 | 151.63 | 174.08 |
| South Africa (61) | 241.13 | −0.7 | 212.60 | 208.81 | 218.88 | 169.19 | −0.4 | 3.21 | 242.88 | 213.07 | 209.79 | 219.71 | 169.89 | 258.85 | 173.00 | 179.85 |
| Spain (54) | 149.97 | −0.2 | 132.23 | 129.88 | 136.13 | 123.16 | −0.2 | 4.36 | 150.28 | 131.83 | 129.81 | 135.94 | 123.41 | 171.12 | 131.51 | 159.21 |
| Sweden (25) | 192.33 | +0.3 | 169.58 | 166.56 | 174.59 | 180.06 | +0.4 | 2.46 | 191.79 | 168.25 | 165.67 | 173.50 | 179.44 | 204.12 | 146.60 | 203.80 |
| Switzerland (58) | 93.12 | +0.3 | 82.11 | 80.65 | 84.54 | 88.07 | +0.8 | 2.19 | 92.83 | 81.44 | 80.19 | 83.99 | 87.34 | 100.67 | 82.17 | 97.70 |
| United Kingdom (240) | 177.76 | +0.0 | 156.73 | 153.92 | 161.34 | 156.73 | +0.5 | 4.69 | 177.72 | 155.91 | 153.50 | 160.75 | 155.91 | 187.44 | 156.27 | 185.88 |
| USA (527) | 161.00 | +0.0 | 141.95 | 139.43 | 146.15 | 161.00 | +0.0 | 3.07 | 161.02 | 141.26 | 139.09 | 145.67 | 161.02 | 161.02 | 125.96 | 128.69 |
| Europe (826) | 139.18 | +0.1 | 122.72 | 120.53 | 126.35 | 124.94 | +0.5 | 3.82 | 139.04 | 121.98 | 120.11 | 125.79 | 124.36 | 151.52 | 125.50 | 149.37 |
| Nordic (109) | 187.40 | +0.1 | 165.23 | 162.29 | 170.11 | 166.68 | +0.1 | 1.96 | 187.16 | 164.19 | 161.67 | 169.31 | 166.48 | 200.81 | 155.55 | 202.51 |
| Pacific Basin (718) | 124.78 | +1.2 | 110.02 | 108.06 | 113.27 | 108.51 | +1.4 | 1.16 | 123.35 | 108.21 | 106.55 | 111.59 | 107.02 | 145.92 | 117.86 | 129.72 |
| Euro – Pacific (1546) | 130.81 | +0.7 | 115.33 | 113.27 | 118.73 | 115.75 | +1.0 | 2.28 | 129.89 | 113.95 | 112.19 | 117.49 | 114.60 | 147.66 | 121.29 | 135.63 |
| North America (641) | 159.63 | +0.0 | 140.75 | 138.26 | 144.93 | 157.93 | +0.0 | 3.03 | 159.66 | 140.06 | 137.93 | 144.46 | 157.96 | 159.66 | 125.91 | 128.99 |
| Europe Ex. UK (586) | 116.37 | +0.2 | 102.60 | 100.80 | 105.66 | 106.72 | +0.4 | 3.15 | 116.19 | 101.93 | 100.38 | 105.13 | 106.27 | 129.80 | 103.58 | 128.79 |
| Pacific Ex. Japan (244) | 142.17 | +0.3 | 125.35 | 123.14 | 129.07 | 126.37 | +0.3 | 4.39 | 141.75 | 124.36 | 122.46 | 128.25 | 126.02 | 147.80 | 111.40 | 133.14 |
| World Ex. US (1737) | 132.95 | +0.7 | 117.22 | 115.14 | 120.69 | 117.27 | +0.9 | 2.33 | 132.08 | 115.87 | 114.10 | 119.49 | 116.19 | 148.16 | 122.32 | 136.23 |
| World Ex. UK (2024) | 137.95 | +0.4 | 121.63 | 119.47 | 125.24 | 128.36 | +0.6 | 2.34 | 137.34 | 120.49 | 118.64 | 124.26 | 127.63 | 145.77 | 120.06 | 129.31 |
| World Ex. So. Af. (2203) | 140.76 | +0.4 | 124.11 | 121.91 | 127.78 | 130.70 | +0.6 | 2.58 | 140.18 | 122.97 | 121.09 | 126.82 | 129.94 | 148.98 | 122.92 | 132.27 |
| World Ex. Japan (1790) | 152.50 | +0.0 | 134.46 | 132.06 | 138.45 | 144.62 | +0.2 | 3.36 | 152.45 | 133.74 | 131.69 | 137.93 | 144.38 | 152.83 | 126.69 | 135.53 |
| The World Index (2264) | 141.41 | +0.4 | 124.68 | 122.47 | 128.37 | 131.03 | +0.6 | 2.59 | 140.85 | 123.56 | 121.67 | 127.42 | 130.28 | 149.01 | 123.28 | 132.56 |


[illegible] prices were unavailable [illegible]

## LONDON SHARE SERVICE

### BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

[illegible]

### BRITISH FUNDS—Contd

Over Fifteen Years

Undated

Index-Linked

[illegible]

### INT. BANK AND O'SEAS

[illegible]

### CORPORATION LOANS

[illegible]

### COMMONWEALTH & AFRICAN LOANS

[illegible]

### LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

### FOREIGN BONDS & RAILS

[illegible]

Continued on next page

# LONDON SHARE SERVICE

■ Latest Share Prices are available on FT Cityline. Calls charged at 34p/minute cheap rate and 45p/minute at all other times. To obtain your free Share Code Booklet ring 071-925-2128

## AMERICANS

| 1991 High | Low | Stock | Price £ | + or – | Div Gross | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 33¼ | 20⅞ | Abbott Laboratories] | 32½ | | $1.00 | – | 1.8 |
| 385p | 257p | Allegheny & W 1c | 259p | –7 | 30c | – | 6.8 |
| 10½ | 567p | Amdahl 5c | 808p | +3 | 10c | – | 0.7 |
| 42⅞ | 25⅞ | Amer. Cyanamid $5 | 39⅝ | +½ | $1.50 | – | 2.2 |
| 17⅞ | 9⅞ | Amer. Express 60c | 15⅞ | –¼ | 92c | – | 3.6 |
| 24⅞ | 15¼ | American T. & T. $1 | 22⅛ | +⅛ | $1.32 | – | 3.4 |
| 38⅞ | 32½ | Ameritech $1 | 36¾ | –¼ | $3.40 | – | 5.5 |
| 26 | 12⅛ | BankAmerica $1⅞ | 26 | +⅛ | $1.20 | – | 2.7 |
| 35⅝ | 20⅛ | Bankers N.Y. $1 | 35⅛ | +½ | $1.52 | – | 8.2 |
| 30⅞ | 24⅛ | Bell Atlantic $1 | 29⅞ | –⅛ | $2.52 | – | 5.1 |
| 31⅛ | 25 | BellSouth Corp | 28⅞ | –⅛ | $2.76 | – | 5.6 |
| 11¼ | 6⅞ | Bethlehem Steel $8 | 10⅝ | –⅛ | 40c | – | 2.2 |
| 1239p | 1046p | Bowater Inc | 1593p | +12 | $1.20 | – | 4.5 |
| 54⅞ | 37⅞ | CPC Intnl. 25c | 54⅞ | +⅞ | $2.00 | – | 2.8 |
| 930p | 420p | California Engy | 930p | +6 | – | – | – |
| 50 | 28¼ | Campbell Soup 15c | 49½ | +⅞ | $1.16 | – | 1.4 |
| 12¼ | 5⅞ | Chase Manhattan $12½ | 12¼ | –⅛ | $1.20 | – | 5.9 |
| 9⅞ | 5⅞ | Chrysler $6¼ | 7⅞ | –⅛ | 60c | – | 4.8 |
| 10⅞ | 5⅞ | Citicorp $1 | 8⅝ | –¼ | $1.00 | – | 6.9 |
| 25 | 21⅞ | Colgate-Palmolive $1 | 24½ | +⅛ | $1.06 | – | 2 |
| 928p | 438p | Cont'l Bank Corp $4 | 778p | –20 | $1.00 | – | 7.6 |
| 21⅞ | 13⅞ | Dana Corp $1 | 17⅛ | –⅛ | $1.60 | – | 5.3 |
| 1166p | 203p | Data General | 1156p | –12 | – | – | – |
| 22⅛ | 12⅞ | Dial Crop. $1.5 | 21½ | +⅛ | $1.40 | – | 3.8 |
| 29⅞ | 20¼ | Dun & Bradstreet $1 | 26½ | | $2.16 | – | |
| 40 | 24¼ | Eaton Corpn. 50c | 38⅞ | –⅛ | $2.20 | – | – |
| 8½ | 5½ | Echlin Inc. | 7⅞ | +⅛ | 70c | – | 5.3 |
| 20⅛ | 14⅛ | FPL Group 1c | 19⅞ | +⅛ | $2.40 | – | 7.3 |
| 30⅞ | 17⅞ | Fluor Corp 62½c | 26¼ | +⅞ | 32c | – | 0.7 |
| 23¼ | 23⅛ | Ford Motor $1 | 18¾ | +⅛ | $1.60 | – | 3.2 |
| 46⅞ | 26⅞ | Gen. Elect. 63c | 44½ | +⅛ | $2.04 | – | 2.7 |
| 566p | 270p | General Host Corp $1 | 452p | –21 | 34c | – | 4.4 |
| 45¼ | 20⅞ | Gillette $1 | 25⅞ | | 62c | – | 1.4 |
| 18¼ | 794p | Hasbro Inc 50c | 16 | –⅛ | 24c | – | 0.9 |
| [illegible] | | | | | | | |

## CANADIANS

[illegible]

For Vanity see Americans

## BANKS, HP & LEASING

[illegible]

### Hire Purchase, Leasing, etc.

[illegible]

## BEERS, WINES & SPIRITS

[illegible]

## BUILDING, TIMBER, ROADS

[illegible]

## BUILDING, TIMBER, ROADS – Contd

[illegible]

## CHEMICALS, PLASTICS

[illegible]

## DRAPERY AND STORES

[illegible]

## DRAPERY AND STORES – Contd

[illegible]

## ELECTRICALS

[illegible]

## ELECTRICITY

[illegible]

## ENGINEERING

[illegible]

## FOOD, GROCERIES, ETC

[illegible]

## HOTELS AND CATERERS

[illegible]

## INDUSTRIALS (Miscel.)

[illegible]

## INDUSTRIALS (Miscel.) – Contd

[illegible]

## INDUSTRIALS (Miscel.) – Contd.

[illegible]

## INSURANCES

[illegible]

هكذا من الأصل

# LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. [illegible] charged [illegible] 34p/minute cheap rate and 45p/minute at all other [illegible] To obtain your free Share Code Booklet ring 071-925-2128

## LEISURE

| 1991 High | Low | Stock | Price | + or - | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 708 | 155 | Airtours 10p | 619 | ..... | †8.25 | 2.9 | 1.8 | 19.4 |
| •109 | 71½ | Allied Leis. 5p | 109 | +1 | F4.75 | 3.5 | 5.8 | 7.7 |
| 246 | 140 | Anglia TV | 161 | ..... | 9.25 | 2.4 | 7.7 | 7.4 |
| 31 | 14 | Aweco 1p | 23xd | ..... | 1.5 | 1.1 | 8.7 | (14.2) |
| 9 | 4½ | BCE Hldgs 5p | 5½ | ..... | – | – | – | – |
| 178 | 123 | Barr & W.A.T. 'A' | 164 | ..... | 9.75 | 1.6 | 8.1 | 10.4 |
| 740 | 425 | Boosey & Hawkes | 740 | ..... | 16.4 | 2.7 | 3.0 | 14.8 |
| 55 | 24 | Border T.V. | 53½ | ..... | 2.1 | ♦ | 5.4 | ♦ |
| 88 | 17 | Brent Walker 10p | 18 | –2 | 5.0 | – | – | – |
| 28 | 4 | Do Lec Cv Cm Rd Pf £1 | 6 | –1 | – | – | – | – |
| 55 | 13 | Buckingham Int'l 10p | 24 | ..... | ‡2.1 | 1.8 | ‡ | 5.6 |
| 350 | 183 | Campari Int. 20p | 346 | ..... | †11.0 | 2.9 | [illegible] | 9.5 |
| 210 | 134 | Capital Radio 2½p | 285 | ..... | 5.25 | 2.9 | [illegible] | 13.5 |
| 518 | 350 | Carlton Comms 5p | 504 | +5 | †14.1 | 2.4 | [illegible] | 14.1 |
| 82 | 61 | Do. 6.5p Prf 5p | 79 | –1 | 6.5 | – | [illegible] | – |
| 253 | 160 | Castle Comms. 5p | 218 | ..... | 8.5 | 1.7 | [illegible] | 14.6 |
| 900 | 480 | Central ITV | 895 | ..... | 28.5 | 1.4 | [illegible] | 21.9 |
| 161 | 120 | Chiltern Radio 10p | 161 | ..... | †4.8 | 2.6 | [illegible] | 12.4 |
| 89 | 39 | Chrysalis | 76 | ..... | ‡‡2.0 | – | ‡ | – |
| 69 | 27 | Cityvision 5p | 38 | ..... | 1.0 | 7.0 | 3.6 | 5.0 |
| 6 | 3 | Classic Tb Grest Ir0.20 | 3½ | –½ | – | – | – | – |


## MOTORS, AIRCRAFT TRADES

### Commercial Vehicles

### Components

### Garages and Distributors

## NEWSPAPERS, PUBLISHERS

## PAPER, PRINTING, ADVERTISING

## PROPERTY

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRANSPORT

## TRANSPORT—Contd

## INVESTMENT TRUSTS

## INVESTMENT TRUSTS—Contd

## FINANCE, LAND, ETC

## WATER

| 1991 High | Low | Stock | Price | + or - | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 383 | 331 | Anglian £1 | 372 | ..... | 17.5 | 2.2 | 6.3 | (8.1) |
| 170 | 135 | East Surrey 10p | 170 | ..... | 8.0 | 2.7 | 6.3 | (5.4) |
| 178 | 155 | Mid Kent Hldgs £1 | 171 | ..... | ‡8.0 | 2.8 | 6.2 | 6.5 |
| 387 | 322 | North West £1 | 365 | ..... | 18.0 | ‡2.5 | 6.6 | (6.7) |
| 406 | 327 | Northumbrian £1 | 359 | –1 | 18.6 | 2.9 | 6.9 | 5.5 |
| 370 | 300 | Severn Trent £1 | 331 | –2 | 17.55 | 3.0 | 7.1 | 5.2 |
| 397 | 293 | Southern £1 | 338 | –4 | 17.7 | 2.5 | 7.0 | (6.3) |
| 392 | 308 | South West £1 | 345 | –1 | 20.0 | ‡2.7 | 7.7 | (5.3) |
| 394 | 323 | Thames £1 | 364 | –1 | 17.5 | 2.2 | 6.4 | (7.9) |
| 423 | 341 | Welsh £1 | 364 | ..... | 19.5 | 3.4 | 7.1 | 4.5 |
| 456 | 325 | Wessex £1 | 375 | ..... | 17.7 | 2.7 | 6.3 | (6.4) |
| 401 | 336 | Yorkshire £1 | 384 | +1 | 17.7 | 2.5 | 6.1 | (7.4) |

## OIL AND GAS

| 1991 High | Low | Stock | Price | + or - | Div Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 18 | 12 | Aberdeen Pet 10p | 15 | ..... | – | – | – | 15.3 |
| 49 | 19 | Alliance Res. 10p | 20 | ..... | – | – | – | – |
| 8½ | 3½ | AmBrit Intl | 4½ | ..... | – | – | – | ♦ |
| 40 | 23 | Aran Engy 20p | 27 | ..... | – | – | – | – |
| 3½ | 3¼ | Arrow Pet. 10c | 3¼ | ..... | – | – | – | – |
| 7½ | 2½ | Atlantic Res Inf.05 | 3 | +¼ | – | – | – | – |
| 16 | 7½ | Aviva Petroleum | 10 | ..... | – | – | – | – |
| 25½ | 13 | Blackland Oil 10p | 16 | ..... | – | – | – | – |
| 12 | 7 | Elysian Group 1p | 7 | ..... | – | – | – | 18.7 |
| 737 | 580 | Bow Valley | 695 | –5 | 040c | – | 3.4 | – |
| 156 | 104 | Brabant £1 | 104 | ..... | – | – | – | – |
| 31 | 21 | Bridge Oil | 26 | ..... | – | – | – | – |
| 235 | 185 | Brit. Borneo 10p | 215 | ..... | ‡a7.1 | 2.9 | 4.4 | 9.2 |


## PLANTATIONS

### Rubbers, Palm Oil

### Teas

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Diamond and Platinum

### Central African

### Finance

### Australians

## MINES—Contd

### Tins

| 1991 High | Low | Stock | Price | + or - | Div Net | C'vr | Y'ld Gr's |
|---|---|---|---|---|---|---|---|
| 25 | 20 | Ayer Hitam SM1 | 25 | ..... | Q17½c | – | 15.1 |
| 90 | 45 | Gopeng Berhad M$0.50 | 90 | ..... | Q5c | ♦ | 2.6 |
| 57 | 27 | Malaysia Mng. 10c | 44 | +3 | Q5c | 3.5 | 2.5 |
| 170 | 130 | Pengiling SM1 | 170 | ..... | ‡Q10c | 1.7 | ‡ |

### Miscellaneous

## NOTES

## REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

### IRISH

## TRADITIONAL OPTIONS

3-month call rates

### Industrials

### Property

### Oils

### Mines

# FINANCIAL TIMES

Weekend August 31/September 1 1991



# Labour calls for rate cut and outlines plan to end recession

By James Buxton and Alison Smith

A FRESH offensive against the government's economic policy was launched yesterday by Mr Neil Kinnock, the Labour leader, who warned that a fourth Conservative election victory would herald a third recession.

He called for an immediate one percentage point cut in interest [redacted] and outlined [redacted] five-point plan aimed at ending recession which would [redacted] implemented without delay by [redacted] Labour government.

A rate cut [redacted] essential to [redacted] the burden [redacted] companies and households, Mr Kinnock said, and [redacted] feasible because British rates [redacted] still 2 points above those of Germany and France.

Ministers said Labour [redacted] "published the wrong proposals at the wrong time" and produced [redacted] compilation of critical comment from City analysts and others on the party's [redacted] nomic plans.

Page 4
■ Labour [redacted] council tax plan
■ Tories [redacted] by-election test
■ Alick Buchanan-Smith obituary

Mr John Maples, a junior treasury minister, said Labour's calls for [redacted] cuts regardless of sterling's position in the exchange [redacted] mechanism [redacted] that Labour had "neither credibility on inflation nor a credible commitment to [redacted] ERM".

Speaking in Edinburgh after [redacted] meeting of the economic sub-committee [redacted] the shadow cabinet, [redacted] Kinnock acknowledged that an upturn in output was possible for [redacted] year, but noted that forecasters [redacted] it would be accompanied by rising unemployment, falling investment [redacted] continuing high level of bankruptcies [redacted] bad [redacted] "The prospects, [redacted] other words, [redacted] for [redacted] process that will be shallow, short-lived and scarcely worthy of [redacted] 'recovery'."

Even if, [redacted] the government claimed, higher [redacted] spending [redacted] Britain out of recession, the result would be "rising imports, increased foreign borrowing, rising inflation – [redacted] further recession".

Flanked by Mr John Smith, shadow chancellor, Mr Gordon Brown, shadow trade [redacted] tary, and [redacted] Tony Blair, [redacted] employment secretary, [redacted] Labour government would introduce first-year capital allowances for companies investing in [redacted] equipment, innovation and design.

"We [redacted] approach [redacted] work, both from [redacted] discussions with industrial managers [redacted] from the experience gained when investment plans were brought forward after Nigel Lawson [redacted] two years notice of [redacted] policy of ending investment allowances," he said.

Mr Smith said councils would be allowed [redacted] make [redacted] phased release of capital receipts from council house [redacted] to stimulate house building and repair. This, he said, would have a powerful employment [redacted] and would boost the construction industry.

# Polish PM offers resignation of government

By Christopher Bobinski in Warsaw

POLAND was thrown into political turmoil yesterday after Mr Jan Krzysztof Bielecki, the prime minister, offered his government's resignation.

The move followed sharp disagreements with the Sejm, or parliament, about tackling the budget crisis.

The resignation, which the Sejm will confirm [redacted] reject today, could produce [redacted] political vacuum until the country's first free parliamentary elections in October.

Mr Bielecki, a staunch defender of the market economy, stunned parliament with his resignation speech, in which he accused the lower house of hampering his government's ability "to react quickly to mounting threats".

The crisis [redacted] precipitated on Thursday when [redacted] group of former communists in the Sejm demanded the government be dismissed, but then asked Mr Bielecki to play a caretaker role until the elections.

"I refuse to [redacted] the subject of a surrealistic game, to be a [redacted] figurehead for a couple of months," Mr Bielecki said.

The immediate [redacted] of the crisis is the budget. A deficit of Zl 4,306bn (£226m) was expected this year, but the government now expects this [redacted] to Zl 24,000bn. Planned government spending will have to [redacted] cut by 14.5 per cent in response to a 21.5 per cent fall in revenue[redacted]

The spending cuts, which the government asked parliament [redacted] accept, would have [redacted] lower housing subsidies, family benefits, some pensions, and civil service pay.

The shortfall in income derives primarily from low payments from privatised enterprises; the recession [redacted] Poland; and the slump in exports to the Soviet Union.

Mr Bielecki's move, decided by the government on Thursday evening, [redacted] aimed [redacted] forcing a vote of confidence from parliament, [redacted] well [redacted] special powers to run the economy until the elections.

[redacted] resignation represents the culmination of [redacted] long dispute between parliament, the government and President Lech Walesa, over who is responsible for delays in decision making.

The government [redacted] accused parliament of blocking [redacted] legislative initiatives, while parliament has argued that it is overloaded with work and is processing new legislation [redacted] fast [redacted] possible.

Mr Bielecki yesterday said Poland had made [redacted] big mistake in not dissolving parliament earlier and holding free elections last May, as proposed by [redacted] Walesa.

Mr Bielecki formed the government [redacted] the beginning of this year.

Political crisis: Jan Krzysztof Bielecki (centre) making his resignation speech in parliament yesterday

# Continental to close Canadian tyre plant

[redacted] Fisher in Hanover and Bernard [redacted] in Toronto

CONTINENTAL, the German tyre manufacturer, [redacted] to close its Canadian plant because of heavy losses in North America.

The group, which [redacted] holding co-operation talks with Pirelli after rejecting the Italian company's merger proposal, yesterday also announced [redacted] steep drop in its first-half pre-tax profits from DM100.5m to DM31.5m (£10.7m).

Continental said the closure of the plant [redacted] Barrie, Ontario, [redacted] necessary to reduce the losses of General Tire, the North American subsidiary which is causing it "a great deal of concern". General Tire's first-half [redacted] fell by 3 per cent in dollars and 14 [redacted] cent in D-Mark terms.

Mr Hubertus [redacted] Grünberg, Continental's new chief executive, [redacted] further [redacted] would be [redacted] end US losses. This might include another closure, but this was [redacted] certain.

Steps would [redacted] have to be taken [redacted] improve results in Europe. "These will also [redacted] pain, but I hope [redacted] won't have [redacted] do another Barrie," Mr [redacted] Grünberg said.

Closing the Ontario plant will cost DM180m, but tax savings should reduce [redacted] net loss to less than half of [redacted] figure, [redacted] Mr Ingolf Knaup, finance director.

Because of the one-off cost of the closure, Continental will make [redacted] loss in [redacted] against a net profit of DM93m in [redacted] which [redacted] per cent lower [redacted] the previous year.

Mr Knaup also [redacted] no dividend could be expected this year. The [redacted] payment [redacted] share.

Total first-half turnover of the [redacted] rose by [redacted] per cent [redacted] DM4.6bn, the growth all coming from acquisitions.

Continental [redacted] raised prices for replacement tyres – roughly two-thirds of business – by 12 per cent in Europe, with [redacted] 7.5 [redacted] cent rise in [redacted] US due in October.

The Barrie plant, employing [redacted] people, lost [redacted] last year – roughly [redacted] of General Tire's total losses. It accounts for 7 [redacted] cent of the output of General Tire, which also has four plants in [redacted] US and two [redacted] Mexico.

## CHIEF PRICE CHANGES YESTERDAY

| | | | |
|---|---|---|---|
| **FRANKFURT (Dm)** | | | |
| **Rises** | | | |
| Asko Pref | [redacted] | + | 24 |
| Lufthansa | 149 | + | 5.5 |
| Sud Chemie | [redacted] | + | 7 |
| **[redacted]** | | | |
| Aachen Mch | 845 | − | 15 |
| Gerresheimer | 445 | − | 8 |
| Rheinelektra | [redacted] | − | [redacted] |
| **[redacted] York [redacted]** | | | |
| [redacted] | | | |
| [redacted] Cellular | 28½ | + | ¾ |
| **Falls** | | | |
| Coca-Cola | 14¼ | − | ⅜ |
| Cont'l Bank | 12⅜ | − | ¾ |
| Intel | 49⅝ | − | 1⅝ |
| [redacted] | 85¼ | − | ½ |
| Sun Micro | 32 | − | 1¼ |
| New York prices at 12[redacted] | | | |
| **Paris (FFrs)** | | | |
| **[redacted]** | | | |
| Bancaire Cie | [redacted] | + | 9 |
| [redacted] | [redacted] | + | 34 |
| Essilor Int | [redacted] | + | [redacted] |
| Unibail | 649 | + | 25 |
| **Falls** | | | |
| Industrielle | 4800 | − | 200 |
| Radiotechn | 506 | − | 14 |
| **Tokyo (Yen)** | | | |
| **Rises** | | | |
| Meija Seika | 845 | + | [redacted] |
| Nippon Yusen | [redacted] | + | [redacted] |
| Nittoc Cons | 1500 | + | [redacted] |
| OKK | 650 | + | 55 |
| Pacific Ind | [redacted] | + | 46 |
| **Falls** | | | |
| [redacted] Cons | 1010 | − | 80 |
| **[redacted]** | | | |
| **[redacted]** | | | |
| Barrett (H) | 67 | + | [redacted] |
| Borland Intl | 3213 | + | [redacted] |
| Brathwaite | 158 | + | 8 |
| Cadbury Schw | 418 | + | 16 |
| Frogmore Ests | 323 | + | 13 |
| Kingston Oil | 88 | + | 10 |
| MB-Caradon | 274 | + | 9 |
| Norcros | 159 | + | 13 |
| Smith (WH) A | 476 | + | 17 |
| Tyndall | 57 | + | 8 |
| Utd Biscuits | 409 | + | 11 |
| Wales City Lon | 125 | + | 10 |
| **Falls** | | | |
| Brent Walker | 18 | − | [redacted] |
| Brit Aerospace | 555 | − | 10 |
| Gent (SR) | 49 | − | 5 |
| Gravewood | 13 | − | 7 |
| GRE | 188 | − | 7 |
| Mallett | 114 | − | [redacted] |
| Nat Home Loans | 18 | − | 3 |
| Tinsley Robor | 16½ | − | 1½ |
| Union Discount | 230 | − | 24 |
| Yorkshire TV | 188 | − | 8 |

# Singapore warned of threat to liberal policies

By Kevin Brown [redacted] Singapore

SINGAPORE will [redacted] tension and economic [redacted] the ruling People's Action Party fails to win [redacted] 60 per cent of the popular vote in elections today, Mr Goh Chok Tong, the prime minister, forecast last night.

The PAP, which has ruled Singapore since 1959, won 63 per cent of the vote at the last election in 1988, and took all but one seat in the 81-seat parliament. Mr Goh, who replaced Mr Lee Kuan Yew as prime minister in November, called a snap election two weeks ago to seek a mandate for limited political liberalisation.

However, the final days of the campaign have been dominated by PAP claims that some opposition parties are exploiting ethnic and religious differences between Singapore's Chinese majority and the Indian and Malay minorities.

Mr Goh drew a grim picture in PAP's final televised party political broadcast of a return to the inter-communal rioting which scarred Singapore in the 1950s [redacted] early [redacted] He [redacted] fall [redacted] the government vote to less than 60 per cent would [redacted] "more open and consultative style I have introduced, because ... we will all be fighting for our lives".

The allegations have been [redacted] "a damned lie" by [redacted] J.B. Jayaretnam, leader of [redacted] centre-left Workers Party.

Analysts said the PAP claims [redacted] unlikely [redacted] have much impact on [redacted] younger Singaporeans, but could help persuade older voters to support [redacted] government.

[redacted] also [redacted] that foreign investment was likely to [redacted] if support for the government fell by more than 3 per cent. Support [redacted] the opposition has been rising since 1981, when [redacted] won 77 per cent [redacted] vote, [redacted] opposition [redacted] have been [redacted] because of Singapore's British-style, first-past-the-post [redacted] system.

Analysts say the five opposition parties have improved their prospects by nominating candidates [redacted] only 40 [redacted] – in [redacted] conceding in advance [redacted] the [redacted] will [redacted] in government.

The strategy [redacted] worried PAP leaders, who fear that voters [redacted] respond to [redacted] Singapore cannot function properly [redacted] a strong parliamentary opposition.

Mr Goh has warned [redacted] a significant [redacted] government vote would end [redacted] liberalisation [redacted] by weakening his position [redacted] the ruling party. [redacted] unspoken threat is [redacted] if [redacted] fails to win public endorsement he will [redacted] replaced by Brigadier-General Lee Hsien Loong, deputy prime minister [redacted] son of [redacted] Lee Kuan Yew.

# Yeltsin

Continued from Page 1

were arrogating to themselves the [redacted] of powers [redacted] enjoyed by the now disgraced [redacted] party. "A dictatorship of democrats, specially Russian democrats, will not [redacted] in place of [redacted] party-bureaucratic dictatorship," [redacted] said.

[redacted] during [redacted] Yeltsin's visit to Latvia [redacted] believed to have been [redacted] presence there [redacted] the Omon (Black Beret) [redacted] special forces. [redacted] the [redacted] has refused to leave, but Latvian officials predicted that the issue would be "solved [redacted] weekend".

A large Soviet armoured troop convoy was [redacted] the [redacted] Vilnius [redacted] yesterday, fuelling speculation that they were on their way to remove the Omon forces from their barracks in Latvia. The Omon remains [redacted] lingering menace to the Latvian government. It has [redacted] responsible for [redacted] number of violent incidents since January and now appears to be [redacted] law [redacted]

[redacted] future shape of the [redacted], its institutions [redacted] political power centres radically changed by the failed coup, will be tackled on Monday by the Congress of People's Deputies, [redacted] 2,260 strong super-parliament, when it convenes in Moscow.

# Walker

[redacted] Page 1

He is equally dismissive of allegations that Brent Walker's 1990 interim [redacted] overstated. "Those res[redacted] were reviewed in a 3-hour meeting with [redacted] [KPMG Peat Marwick, the [redacted] tants] and with Leigh Carr."

He said [redacted] was [redacted] the first police investigation of Brent Walker. Four years ago, they examined allegations about fraud relating to the making of a television [redacted] 'W[redacted]lds Beyond'. "They [redacted] up with nothing," [redacted]

In May, Brent Walker's banks forced the company to remove him as chief executive, but [redacted] remains a non-executive director. So on Thursday [redacted] a [redacted] meeting, during which he tried – with limited success – to [redacted] the company's senior directors to say why they had called in the SFO. The meeting lasted from [redacted] pm to 8 pm, principally because Mr Walker insisted on getting [redacted] chairman, Lord Kindersley, [redacted] justify every line [redacted] statement which the company put out today.

The meeting was held at the offices of the company's solicitors, Simmons and Simmons. "They've banned me from entering the head offices [in London's Soho]," [redacted] said. "They say I cause too much disruption. [redacted] only time I was allowed in, the secretaries all came up to kiss me and the men [redacted] and shook my hand."

He sees himself as the only [redacted] saving the company. "It's as if the rest of the board is determined to commit suicide."

## THE LEX COLUMN

# A small matter of tax

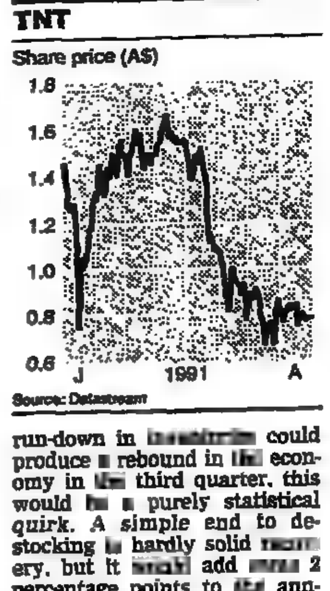
[redacted] the [redacted] approaching, [redacted] Exchange has chosen a timely [redacted] to enter [redacted] debate [redacted] wider [redacted] ship. [redacted] Quarterly looks [redacted] how [redacted] international [redacted] regimes affect individual investors' appetite for direct holdings in shares. [redacted] aim is [redacted] provide [redacted] pointer [redacted] changes [redacted] might satisfy the still-frustrated Tory ambition of broadening the appeal of equities. [redacted] overall [redacted] regime, thanks mainly [redacted] its blanket capital gains system; [redacted] traditionally [redacted] high number of individual share-owners. Japan [redacted] easily [redacted] environment for [redacted] of investor – very few punters give up [redacted] 12 per [redacted] of their [redacted] returns.

The UK is rather average. [redacted] who [redacted] up [redacted] annual Personal Equity [redacted] allowance and have a high proportion [redacted] PEPs in their portfolios [redacted] outstandingly [redacted] pared with their equivalents abroad; but [redacted] have [redacted] relatively [redacted] appeal, such investors [redacted] few in [redacted] ber. Sid Citizen, [redacted] small punter, [redacted] out on [redacted] full [redacted] benefit and is seduced away from shares by [redacted] of friendlier products such [redacted] National Savings and [redacted]

The problem is how [redacted] develop [redacted] findings. Japan [redacted] fiscally kinder, but [redacted] no [redacted] than the UK [redacted] attaining deeper ownership. Individuals' stake [redacted] the Japa[redacted] equity [redacted] from over 60 per cent in the [redacted] 20 per [redacted] One suspects [redacted] altering [redacted] fiscal [redacted] for individuals is merely tinkering [redacted] edges. The overall environment [redacted] still slewed in favour of institutional share [redacted] ship – hence [redacted] apparently unstoppable worldwide trend.

FT-SE Index: 2,645.7 (+7.5)

**TNT**




Source: Datastream

## US economy

Interpreting [redacted] economic indicators [redacted] about [redacted] following a Soviet coup. After the euphoria sparked by the 10.7 per [redacted] bounce in [redacted] goods [redacted] week [redacted] came gloom with [redacted] downward revision of second-quarter [redacted] on [redacted] day. Yesterday it [redacted] to optimism with [redacted] 1.2 per [redacted] jump in leading indicators [redacted] the largest monthly rise in factory orders for 20 years.

There is [redacted] for considerable exaggeration in the rosier indicators. Recovery remains patchy, concentrated in manufacturing; [redacted] confidence is low. Even though [redacted] large run-down in [redacted] could produce [redacted] rebound in [redacted] economy in [redacted] third quarter, this would [redacted] purely statistical quirk. A simple end to destocking [redacted] hardly solid [redacted] ery, but it [redacted] add [redacted] 2 percentage points to [redacted] ann[redacted] economic growth [redacted] With money supply growth remaining sluggish, the bal[redacted] of expectations suggests [redacted] tempted to [redacted] short-term money conditions.

There [redacted] couple [redacted] caveats, [redacted] The [redacted] is [redacted] certainly [redacted] confused [redacted] everyone [redacted] and will [redacted] evidence, such as [redacted] Friday's labour statistics, of what is actually going on. It will [redacted] of precipitating [redacted] revival [redacted] inflationary fears that would [redacted] long-term [redacted] rebound. [redacted] much more impor[redacted] US [redacted] UK [redacted] US companies depend [redacted] heavily on long-term [redacted] finance.

## TNT

There [redacted] two numbers [redacted] the jumble of confusing full-year figures yesterday which summed up [redacted] squeeze on TNT. One [redacted] operating profit of the core business, setting aside equity losses [redacted] Ansett and American West, which amounted to [redacted] in [redacted] six months to June. [redacted] other was the A$84m [redacted] interest bill for the same second-[redacted] period. The key question for investors is how quickly [redacted] trend can be reversed.

TNT does not [redacted] to [redacted] facing an [redacted] crunch – but around [redacted] of [redacted] A$2.5bn [redacted] debt is due to be repaid in the middle of next year. The [redacted] for reducing borrowings depends to [redacted] large [redacted] on the cash [redacted] impact of any recovery in its main business [redacted] equity injection [redacted] the five joint-venture partners in Europe would [redacted] relieve [redacted] pressure. That, for [redacted] moment, appears to be in [redacted] balance. On the trading front, [redacted] are bright spots at Skypak and the freight businesses in [redacted] UK, Italy and Spain; on the debit side Australian margins [redacted] still under pressure [redacted] competition and the recession, and [redacted] establishing the European express network continue [redacted] their toll. Rival Brambles [redacted] a premium rating – but it remains [redacted] Australian transport [redacted] faint-hearted.

## Tyndall/JTM

The takeover [redacted] Tyndall [redacted] another [redacted] to the [redacted] cial excesses [redacted] rather endearing fund management group which [redacted] on [redacted] City [redacted] London big [redacted] from [redacted] country base, the [redacted] company [redacted] went under Down Under.

Ninety [redacted] shareholders' funds [redacted] wiped [redacted] when its Australian insurance [redacted] management [redacted] turned [redacted] be virtually worthless.

Jupiter Tarbutt Merlin [redacted] to have [redacted] on [redacted] ground for the moment, [redacted] demonstrated over [redacted] last five years that it is not essential [redacted] a Gartmore, M and G [redacted] Mercury [redacted] make decent profits. There [redacted] obvious merit in paying 10 [redacted] earnings [redacted] help of shares which are on [redacted] 20 times rating, not [redacted] cycle [redacted] turn. [redacted] fit looks [redacted] too, [redacted] chasing [redacted] ative institutional clients [redacted] a competitive game which will require patience.

## Brent Walker

Brent Walker's admission that it finished last year with negative net worth of £56m is a startling reminder [redacted] long it has [redacted] perilously close [redacted] edge. But its [redacted] to [redacted] £195m in write-downs will scarcely [redacted] come [redacted] surp[redacted] bankers, who [redacted] been poring over [redacted] books for months. In [redacted] sense, it contains [redacted] to [redacted] package. [redacted] were already resigned [redacted] heavy dependence [redacted] property market for [redacted] chance [redacted] getting their money back. To [redacted] uncertainty has been added the Serious Fraud Office inquiry, about which yesterday's announcement [redacted] disappointingly reticent.



## WORLDWIDE WEATHER

[redacted] Mainly dry and sunny in all areas. By mid-afternoon, temperatures will be very warm, but cooler along the east coast. Later, cloud will increase in the south-west, with thundery showers possible [redacted] Cornwall and [redacted] Channel Islands by [redacted] evening [redacted] overnight.
**Outlook:** Mainly dry and bright.

| | | °C | °F |
|---|---|---|---|
| Ajaccio | F | 27 | 81 |
| Algiers | [redacted] | 34 | 93 |
| [redacted] | [redacted] | 22 | 72 |
| [redacted] | F | 28 | 82 |
| Bahrain | S | 34 | 93 |
| Barcelona | F | 28 | 82 |
| Belfast | S | 23 | 73 |
| [redacted] | F | [redacted] | 70 |
| Berlin | [redacted] | 19 | 66 |
| Biarritz | C | 25 | 77 |
| Birmingham | S | 22 | 72 |
| Blackpool | S | 23 | [illegible] |
| [redacted] | F | 29 | 84 |
| Bordeaux | F | 25 | 77 |
| Boulogne | [redacted] | 23 | 73 |
| Bristol | [redacted] | 22 | 72 |
| Brussels | S | 23 | 73 |
| Buenos Aires | F | 22 | 72 |
| Budapest | R | [illegible] | [illegible] |
| Cairo | S | 31 | [illegible] |
| Cape Town | F | 14 | 57 |
| Cardiff | [redacted] | 22 | 72 |
| Chicago | | – | – |
| Cologne | S | 22 | 72 |
| [redacted] | C | 18 | [illegible] |
| [redacted] | F | 23 | 73 |
| Dallas | | – | – |
| Dublin | [redacted] | 21 | 70 |
| Dubrovnik | [redacted] | 28 | 82 |
| Edinburgh | S | [redacted] | [illegible] |
| Faro | S | [redacted] | 77 |
| Florence | [redacted] | [redacted] | 77 |
| [redacted] | S | [redacted] | 73 |
| Geneva | S | [redacted] | 72 |
| Gibraltar | [redacted] | [redacted] | 84 |
| Glasgow | [redacted] | 21 | 70 |
| Guernsey | [redacted] | 21 | 70 |
| [redacted] | [redacted] | 19 | 66 |
| Hong Kong | R | [redacted] | 84 |
| Innsbruck | [redacted] | 19 | [illegible] |
| Inverness | S | 17 | 63 |
| Isle of Man | S | 19 | 66 |
| Istanbul | F | 22 | 72 |
| Jersey | S | 23 | 73 |
| Johannesburg | | – | – |
| Las Palmas | S | 26 | 79 |
| Leeds | [redacted] | [redacted] | 73 |
| Lisbon | F | [redacted] | 73 |
| Locarno | F | 24 | 75 |
| London | S | 23 | 73 |
| Los Angeles † | S | [redacted] | [redacted] |
| Luxembourg | [redacted] | [redacted] | [redacted] |
| Madeira | C | 26 | 79 |
| Madrid | F | 28 | 82 |
| Majorca | S | 32 | 90 |
| Malaga | S | 30 | 86 |
| Malta | S | 32 | 90 |
| Manchester | S | 23 | 73 |
| Melbourne | F | [redacted] | 46 |
| Mexico City | [redacted] | [redacted] | 68 |
| Miami † | S | 26 | 79 |
| Milan | S | 23 | [redacted] |
| Montreal † | F | 21 | [redacted] |
| [redacted] | C | 15 | 59 |
| [redacted] | S | 20 | 68 |
| Nairobi | C | 23 | 73 |
| Naples | [redacted] | [redacted] | [redacted] |
| Nassau | [redacted] | [redacted] | [redacted] |
| Newcastle | S | 21 | 70 |
| New Delhi | F | 30 | 86 |
| New York † | [redacted] | [redacted] | [redacted] |
| Nice | S | 27 | 81 |
| Nicosia | S | 27 | 81 |
| Oporto | [redacted] | [redacted] | 72 |
| Oslo | F | 23 | 73 |
| Paris | S | 25 | 77 |
| [redacted] | F | 27 | [illegible] |
| Perth | S | 16 | 61 |
| Prague | S | 20 | 68 |
| [redacted] | C | 15 | 59 |
| [redacted] | S | 28 | 82 |
| Rio de Janeiro | C | 29 | 84 |
| Rome | S | 28 | 82 |
| [redacted] | S | 29 | 84 |
| S'Francisco † | S | 16 | [redacted] |
| Santiago | C | 18 | 64 |
| [redacted] | [redacted] | [redacted] | 84 |
| Singapore | C | 25 | 77 |
| Stockholm | F | 21 | 70 |
| [redacted] | [redacted] | 23 | 73 |
| Sydney | S | 18 | 64 |
| Tangier | F | 26 | 79 |
| Tel Aviv | F | 29 | 84 |
| Tenerife | F | 28 | 79 |
| Tokyo | F | [redacted] | [redacted] |
| Toronto † | S | 23 | 73 |
| Tunis | S | 31 | 88 |
| [redacted] | F | 29 | 84 |
| Venice | S | 24 | 75 |
| Vienna | S | 20 | 68 |
| Warsaw | R | 20 | 68 |
| Washington † | S | 26 | 79 |
| Wellington | F | 14 | 57 |
| Zurich | S | 22 | 72 |

Temperatures at midday yesterday † Noon GMT temperatures C–Cloudy [redacted] F–Fair Fg–Fog [redacted] R–Rain S–Sunny [redacted] Sn–Snow T–Thunder

Weekend FT
SECTION II
Weekend August 31/September 1 1991

# Aids: standing up to the Doomsday virus

IT IS hard [redacted] Aids and its twin viruses HIV-1 and HIV-2 have been [redacted] for only 10 years. In a decade they [redacted] become [redacted] is probably [redacted] worst epidemic to afflict humanity since [redacted] Black Death.

Caring for [redacted] with [redacted] or infected [redacted] HIV will [redacted] about [redacted] (£3.45bn) this [redacted] in [redacted] alone. Virginia Bottomley, Britain's minister of state for health, says that in the last six years Britain has *spent about* [redacted] *fighting* [redacted]

Quite simply, Aids has become [redacted] biggest medical [redacted] in town. This [redacted] sound [redacted] *who find* [redacted] subject [redacted] mind-numbing even to contemplate a change in their free-wheeling [redacted] behaviour, but [redacted] huge sums devoted to [redacted] business recently *drove one respected* academic journal, *Nature*, [redacted] this year's annual international conference on [redacted] "carnival".

Some 8,000 delegates crammed [redacted] *Florence* at [redacted] *height* [redacted] the tourist season to [redacted] who [redacted] achieving what in research. [redacted] modest compared with [redacted] 12,000 who turned [redacted] for [redacted] previous year's *conference* [redacted] Francisco. With [redacted] sales booths, demonstrations and flag waving, the annual [redacted] conference [redacted] become [redacted] cross between [redacted] US political convention and a [redacted] company sales trip, say [redacted] critics. *Nature* magazine said that "only [redacted] multiplies [redacted] conferences", and that they should [redacted] re-evaluated.

The US government [redacted] 300 [redacted] to Florence [redacted] well [redacted] But for all [redacted] razzmatazz, and the $1.9bn [redacted] the US public health services are throwing at the problem this year, mankind still does not have [redacted] prophylactic for Aids. Only one drug, AZT (zidovudine), is [redacted] treatment, and [redacted] can [redacted] nasty *side effects*.

A recent article about Derek Jarman, the [redacted] UK film-maker, remarked [redacted] had the "terrible dark red colour that seems to be associated with AZT". Some people cannot tolerate AZT at all. It is expensive: in [redacted] a year's treatment at the recommended dose (500 to 600 milligrams a day) costs about £2,000 at Wellcome's price, and Wellcome's price is 87.5 per cent of the retail price. The group's worldwide sales of AZT last year were about £170m.

Two other drugs, ddI (made by [redacted] Myers Squibb), and ddC (Hoffman La Roche), *show promise* [redacted] are under test in the [redacted] Well-[redacted] *patent* rights to AZT are the subject of legal action in the US between [redacted] company, the National Institutes [redacted] Health and [redacted] Laboratories, which claims [redacted] it [redacted] supply [redacted] *drug at* [redacted]

The [redacted] agonising decision [redacted] *ing the regulators* [redacted] when [redacted] license [redacted] of [redacted] anti-Aids drugs. Under the weight [redacted] social, political [redacted] it is little wonder that Dr [redacted] Cooper, director [redacted] anti-viral division of the [redacted] Food and Drug Administration, resigned recently, citing overwork.

How successful [redacted] fight against Aids? [redacted] are two [redacted] points [redacted] view.

The first is predominantly gloomy. After hopes [redacted] breakthrough, [redacted] have settled down to a *hard slog to find* perhaps only partial solutions. In the meantime, [redacted] budgets [redacted] being [redacted] in Germany) [redacted] others, such as the $100m budget of [redacted] Programme on Aids, operated by [redacted] World Health Organisation, [redacted] being underfunded by [redacted] nations. [redacted] is the third largest donor to the programme, [redacted] and [redacted]den, but [redacted] giving only £4.7m this year, hardly [redacted] princely sum.

The other view is only slightly more sanguine, and holds that [redacted] into [redacted] more progress in [redacted] than research [redacted] any other major [redacted] *comparable period. More than 35,000* medical articles [redacted] published so [redacted] research. Dr Jorg Eichberg [redacted] the [redacted] Biomedical Research Centre in *Texas*, [redacted] *pessimist*, [redacted] *"I'd* [redacted] we will have [redacted] vaccine [redacted] decade".

At the [redacted] level, key [redacted] the population in the developed countries are modifying their behaviour. With a combination [redacted] sex [redacted] drugs [redacted] are thought likely [redacted] contain the disease – subject to occasional [redacted] for its spread have been lowered in [redacted] UK and the US.

*The pessimistic part* [redacted] that Aids may be relegated to the status [redacted] "just [redacted] Third [redacted] problem", alongside famine, drought, [redacted] *This is* [redacted] *cynical* view, [redacted] one which reflects the [redacted] of international [redacted] where "donor fatigue" [redacted] common and funds are diverted [redacted] *Europe* [redacted] *Africa*.

Furthermore, the costs [redacted] [redacted] *– at present* [redacted] a year for [redacted] victim in [redacted] US, according [redacted] Dr [redacted] Hellinger [redacted] US Center [redacted] – [redacted] far beyond the [redacted] of any Third [redacted] budget.

[redacted] far [redacted] they can be [redacted] the [redacted] daunting. Some [redacted] cases [redacted] full-blown [redacted] reported to the World Health Organisation (Who) of which [redacted] *have* [redacted] *in the* [redacted] *Britain* has reported about 4,850 cases, which [redacted] led [redacted] than [redacted]

But these figures [redacted] picture. For [redacted] thing, they leave out all [redacted] with Arc (the so-called [redacted] related complex) and those who [redacted] with HIV but who have yet [redacted] develop [redacted] exterior *symptoms of* [redacted] may take [redacted] years or more but has [redacted] grim inevitability [redacted] it. In [redacted] US, [redacted] survival time from [redacted] diagnosis [redacted] 18-19 months, *though* [redacted] *increasing* [redacted] treat-[redacted] improves. Many African [redacted] at first [redacted] to acknowledge that Aids existed, in some cases for fear [redacted] on tourism. In spite of a [redacted] openness, they simply do not know the [redacted] of the problem: their [redacted] even [redacted] monitor [redacted] ease, [redacted] combat it. [redacted] health budget [redacted] *many African countries* [redacted] less than [redacted] per year.

The best [redacted] statistician in these matters, Dr James Chinn of [redacted] Who, is that Africa [redacted] have [redacted] cases of HIV infection, [redacted] 8m-10m. By 2000, he says, there may be 40m infections world-wide. Even these guesses could be far off the [redacted] if the disease takes hold in Asia, which [redacted] Jim McDermott, US [redacted] expert, as the "sleep-[redacted] giant" [redacted] the [redacted] pandemic. Japan has so far reported a mere 374 cases [redacted]

[redacted] an [redacted] towards [redacted] *It* deeply [redacted] having been labelled by some [redacted] scientists as [redacted] birthplace of Aids. [redacted] resentment, [redacted] consequent attempts [redacted] prove the opposite – [redacted] was imported [redacted] Africa by white [redacted] tourists – have greatly impeded rational [redacted] *about how* [redacted] with the epidemic. In some [redacted] is regarded as some sort of white plot [redacted] suppress [redacted] black population.

At [redacted] *time*, *Africa* [redacted] reacted with typical humour by developing [redacted] plain man's language to [redacted] the epidemic. [redacted] Uganda, [redacted] known graphically [redacted] "Slim". *In Tanzania*, [redacted] *condom* [redacted] "sock" and contracting [redacted] in polite parlance [redacted] "stepping on [redacted] wire". [redacted] African newspaper editor told me, only half jokingly, that [redacted] the right initials for Africa's [redacted] problem, [redacted] the [redacted] words: [redacted] really stood for "Acquired [redacted] Deposited in [redacted]".

The [redacted] Development [redacted] has given [redacted] research [redacted] activity [redacted] elsewhere. [redacted] *EC* [redacted] spending [redacted] equivalent [redacted] £27m [redacted] four [redacted] in the Third World, supporting, for example, programmes to [redacted] (ie, uncontaminated) blood for [redacted] in hospitals [redacted] clin-[redacted]

Apart [redacted] money [redacted] *question of how* [redacted] *change* people's sexual behaviour. A [redacted] survey [redacted] many [redacted] on holiday in [redacted] Europe [redacted] had [redacted] with [redacted] they [redacted] *met perhaps only hours* [redacted] Yet [redacted] Aids [redacted] near-total in [redacted]

Experience in Africa [redacted] clearly that [redacted] of Aids *does* [redacted] *necessarily* [redacted] changed behaviour. A [redacted] in [redacted] *Journal* spoke of members of Ministry of Health [redacted] in [redacted] country, [redacted] *to educate* [redacted] *people about Aids*, themselves repairing [redacted] local bars and bar-girls when [redacted] sessions were over. Sexual activity goes to the [redacted] of an [redacted] *condoms*, [redacted] now, are not that easy to get. On the other hand, girls, [redacted] times and areas of [redacted] deprivation, are.

*For large parts* [redacted] *Africa*, [redacted] a doomsday [redacted] with profound [redacted] It [redacted] wipe [redacted] the gains [redacted] last [redacted] decades in [redacted]reasing [redacted] mortality. *It* [redacted] *cause a sharp* [redacted] in the population growth [redacted] haps even leading to [redacted] fall. It may affect farming and cattle-grazing patterns. It may wipe out men in their productive [redacted] physically active years and divert women from farming to nursing at home. There may [redacted] millions of Aids orphans and [redacted] born with HIV. [redacted] care, fragile [redacted] best, [redacted] swamped when [redacted] per [redacted] of cases admit-[redacted] to hospitals are HIV-related.

Just [redacted] Aids raises questions [redacted] *equality between nations*, [redacted] it raises issues about equality between individuals. In Britain, haemophiliacs [redacted] with HIV in early blood transfusions have at *last won compensation – a total of* [redacted] But it took [redacted] long fight [redacted] get it. In the [redacted] HIV [redacted] are still barred under [redacted] regulations from entering the country, unlike [redacted] *admitted*, they [redacted] non-confidential code stamped in their [redacted] – all [redacted] despite [redacted] the [redacted] be [redacted] to [redacted] an exporter [redacted] *importer of Aids*.

In [redacted] UK [redacted] is still a [redacted] that a "Yes" answer [redacted] the question put to applicants for life assurance – "Have you ever [redacted] HIV?" – [redacted] *lead to the applica*-[redacted] being refused, even if the test was negative. [redacted] is a [redacted] possibility of being [redacted] insurance (and/or an associated *mortgage*) *will deter people* [redacted] being tested [redacted] HIV, which is otherwise [redacted] socially responsible thing [redacted] do.

These practical [redacted] moral issues [redacted] intertwine in [redacted] access [redacted] credit, rights [redacted] housing and screening [redacted] job applicants. [redacted] that patients [redacted] have *compulsory* HIV [redacted] all sur-[redacted] to protect medical [redacted] provide [redacted] statistics. [redacted] Royal College of Surgeons maintains that, with 3.3m *operations* [redacted] year, [redacted] are impractical. [redacted] tests would breach the rights [redacted] individual.

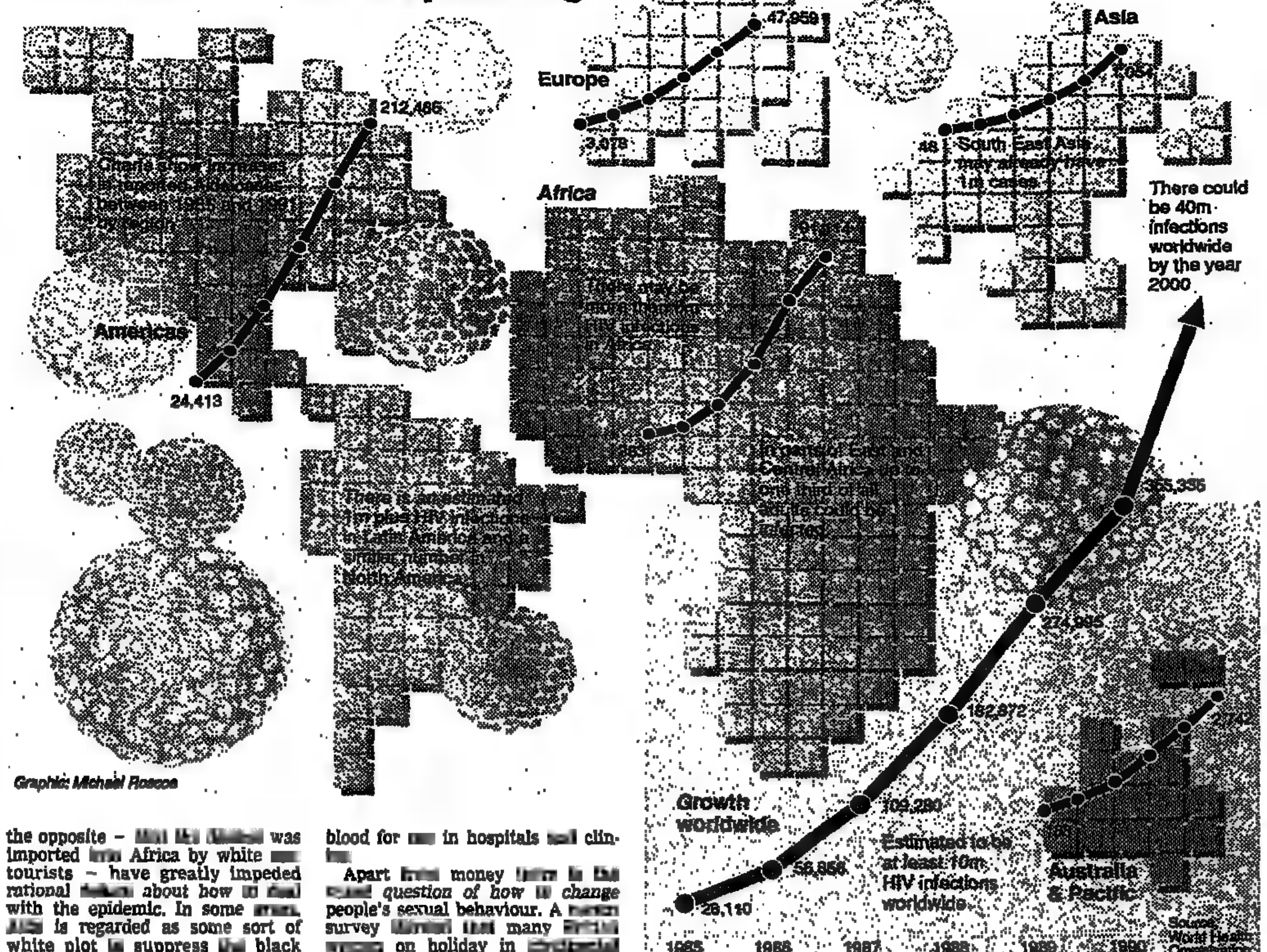
The answers [redacted] lie not [redacted] governments or with scien-[redacted] with [redacted] As pro-[redacted] Roy [redacted] Imperial College [redacted] at the 1990 World [redacted] Day [redacted] in London when discussing the raw Aids [redacted] *"The* [redacted] *message generated by* these [redacted] studies is the [redacted] induce [redacted] urgently. [redacted] vital area [redacted] research is investigation *into* [redacted] *types of education* . . . have the greatest impact in [redacted] behaviour".

[redacted] their [redacted] it is the people who will decide whether Aids is [redacted] or [redacted] run its destructive path.

■ [redacted] *Winsbury* [redacted] *editor/publisher of* [redacted] *Analysis Africa.*

*Aids continues to pose frightening problems. Science may not be able to stop the disease but individuals can, argues* ***Rex Winsbury***

## How the HIV virus is spreading




Graphic: Michael Roscoe

CONTENTS



Called to [redacted] bar: Salim Khoury in [redacted] *American Bar of* [redacted] Savoy, one of the best London watering holes Page X



The Long View/**Barry Riley**

# When banks go for broke

FIVE SHORT [redacted] the *City of London* was gripped by [redacted] Big Bang, [redacted] Stock Exchange revolution. In [redacted] summer securities traders gave up their weekends to test out the radically new stock market systems, although the new market did not finally open until Monday *October 1986. It* [redacted] a time of great excitement. But what will the financial historians make of it?

Huge [redacted] invested in Big Bang. Several billion pounds were pumped by [redacted] *world's banks*, [redacted] in the purchase of the goodwill of London securities firms, [redacted] in their recapitalisation after partners' [redacted] were stripped out, [redacted] finally their re-equip-[redacted] *technology. It was* time when rational analysis largely [redacted] window. For instance, £3m was spent [redacted] upgrading the [redacted] Exchange's trading floor, [redacted] October 27 [redacted] *completely* emptied; [redacted] £3m had been a kind [redacted] insurance premium paid by firms [redacted] certain how [redacted] market would develop, [redacted] indeed it was [redacted] trivial sum compared [redacted] *the* [redacted] Bang.

[redacted] unexpected extra [redacted] in [redacted] huge trading losses suffered by London [redacted] firms, especially in the [redacted] of the 1987 [redacted] *market crash*, which [redacted] exactly a [redacted] after Big Bang.

Recently the producers of a Channel 4 TV programme on Big Bang calculated that the overall cost of the exer-[redacted] *has* [redacted] (perhaps [redacted] "so far" [redacted] be [redacted] It has not been [redacted] vast sum in the context *of* other global banking [redacted] Third World lending, [redacted] Four UK clearing [redacted] have [redacted] off £4bn or [redacted] in bad [redacted] lending in [redacted] past 12 [redacted] alone. But it is worth pondering why such [redacted] misjudge-[redacted] *should have* [redacted] made.

Essentially it [redacted] the "chance [redacted] lifetime" aspect [redacted] *lured* [redacted] *interna*tional banks. A window was being opened [redacted] shut since [redacted] early [redacted] of the century, when single capacity and [redacted] minimum com*missions scale* [redacted] *introduced.* London securities firms were seen as highly profitable and likely to become [redacted] so [redacted] global trading developed. [redacted] number [redacted] London *firms available to* [redacted] *purchased* [redacted] significantly [redacted] than the number [redacted] globe which [redacted] markets. Something of a scramble developed.

*But* [redacted] *big banks neglected* [redacted] crucial factors. The [redacted] was that the high profitability of London securities firms had depended [redacted] cartel. That disappeared at Big Bang, *when* [redacted] on [redacted] equity bargain halved [redacted] per cent.

Secondly, London firms had protected themselves against the volatility [redacted] profits (which though on [redacted] high, *could disappear* in [redacted] bad year) by imposing [redacted] levels [redacted] profit-linking when it came [redacted] paying their employees (and still more so their partners). This [redacted] alien to the salary-[redacted]g culture [redacted] so the [redacted] level of remuneration shot up.

*Thirdly*, [redacted] *international* [redacted] brought a grandiose style of [redacted] London stock [redacted] offshoots. Old-style stockbroking [redacted] had existed in shabby buildings in [redacted] (*albeit* [redacted] *luncheon* rooms and [redacted] cellars).Under [redacted] ownership they [redacted] moved into splendid [redacted] palaces. [redacted] quantum leap.

Five [redacted] blind optimism ruled; indeed, [redacted] a year after Big Bang the market surged, [redacted] and the impos-[redacted] possible (subject [redacted] the ability [redacted] the systems [redacted] handle the volume). But [redacted] injection [redacted] much capital into [redacted] limited business sector [redacted] bound [redacted] prove painful. To begin with, [redacted] an [redacted] shortage of competent management. [redacted] Big Bang, after all, the response to any *prof*-[redacted] squeeze was a delegation of senior partners seeking a [redacted] in minimum *commissions*. Since Big Bang, competition [redacted] posed all sorts [redacted] awkward and [redacted] *questions.*

[redacted] the shelter [redacted] commis-[redacted] umbrella it [redacted] sense to bundle all [redacted] *of services* [redacted] simple [redacted] tion of bargains. Large tonnages [redacted] research [redacted] poured [redacted] *clients'* [redacted] Both institutional and private [redacted] serviced, [redacted] *the degree* [redacted] *cross-subsidy.*

The [redacted] private client [redacted] *always likely to be the biggest victim of* Big Bang, [redacted] proved. [redacted] client [redacted] polarised into "execution only" [redacted] hand [redacted] management on [redacted] other. [redacted] firms [redacted] pulled [redacted] of this sector, [redacted] on their other major conflict, [redacted] tug [redacted] their corporate [redacted] and [redacted] clients. [redacted] quality [redacted] investment research [redacted] suffered, [redacted] *the* [redacted] great – in [redacted] middle of [redacted] takeover bid battle, [redacted] example – the [redacted] analysts simply [redacted] service [redacted] investment [redacted] *only* [redacted] *corporate advisers.*

Traditional stockbroking [redacted] variety [redacted] glued together [redacted] artificially by fixed commissions and [redacted] cross-subsidies. In [redacted] *competition* value has devolved [redacted] the big investment institu-[redacted] today, [redacted] example, Warburg's separately-quoted [redacted] subsidiary, Mercury [redacted] Management, [redacted] *worth more* on the stock market than the [redacted] group, which includes London's *top-rated* [redacted] firm.

As for the banks, too many were fas-[redacted] by [redacted] glamour [redacted] prestige [redacted] broking houses. They [redacted] capti-[redacted] by [redacted] "front [redacted]" trading activities, in [redacted] *corrupting* influence they can [redacted] banking culture. They [redacted] spot [redacted] potential in [redacted] glamorous "back office" [redacted] as [redacted] custody *even though* [redacted] by nature are main-[redacted] commercial banking activities and indeed are in [redacted] of [redacted] unbundled [redacted] broking [redacted]

The moral for the banks must be, *never* [redacted] you are [redacted] against a deadline, if you can help it. All the same, *if the brokers sold them*-[redacted] far [redacted] dearly, perhaps it only goes [redacted] show [redacted] they were good [redacted] their job, especially [redacted] they [redacted] acting [redacted] their own account.

FINANCE AND THE FAMILY

London Markets

# Putting the Old Lady into play

CRITICS OF the Bank of England will have been intrigued to notice that shares in the Swiss National Bank, Switzerland's central bank, [illegible] strongly [illegible] the Zurich stock market [illegible] Friday, and nobody quite knew why.

For a normal [illegible] such an unexplained run-up in price is often the prelude [illegible] a hostile takeover bid. And if the Swiss National Bank [illegible] vulnerable, why not [illegible] Bank [illegible] England?

After all, the usual arguments with which predators justify a bid – uncertainty [illegible] the future of the target's management, [illegible] underexploited franchise, a poor record in its [illegible] business – [illegible] just [illegible] relevant [illegible] the Bank.

Alas, like Switzerland's [illegible] tral bank, [illegible] Old Lady of Threadneedle Street is not a normal company. It is [illegible] to say, however, [illegible] if, in some unimaginable future, a bid [illegible] came about the predator would [illegible] able to make hay with the Bank's involvement in keeping Brent Walker afloat. In October last year, and again this spring, the Bank's good offices have been employed to keep Brent Walker's bankers talking rather than abandon[illegible] ship.

This week came two announcements that [illegible] that decision into question. The company's [illegible] management said it had [illegible] in [illegible] Serious Fraud [illegible] to investigate "significant evidence" of apparent fraud; and it [illegible] profits and assets. The second announcement underlines just how fast Brent Walker's shareholders' funds have shrunk: from an unaudited figure of £1.02bn in mid-July 1990, to [illegible] the end of December 1990 in the unaudited figures produced in May, [illegible] December [illegible] of £56m in Friday's [illegible]

Immediately [illegible] Wednesday's [illegible] announcement, [illegible] shares dropped [illegible] per cent, but rallied later [illegible] day [illegible] 20¼p, a [illegible] 1p. [illegible] Friday, [illegible] the company announced its revised figures and plans [illegible] sell off everything except its pub and betting assets, the [illegible] fell 2p, [illegible] close the day at 18p, a drop of 3¼p on [illegible] week.

Brent Walker's vanishing shareholders' funds [illegible] another example of the rapid destruction of wealth in [illegible] corporate crashes – Polly Peck, for example, [illegible] valued [illegible] a few months before [illegible] company's demise. Corpo[illegible] of [illegible] sort are not fully reflected in [illegible] most widely watched stock [illegible] index, [illegible] FT-SE, which drops companies when [illegible] market capitalisation shrinks. They are, however, [illegible] in investors' portfolios, and have contributed [illegible] an underlying [illegible] of jitteriness, partly suppressed by [illegible] rally earlier in [illegible] year, but liable [illegible] out [illegible] moment, [illegible] on the [illegible] of [illegible] Moscow coup.

Still, [illegible] week [illegible] jitters in [illegible]. In the late-August sunshine, the City was still sparsely populated, both with people and [illegible]. Brisk buying when the coup failed the previous week had left marketmakers short of inventory as the end of the account approached. The shortage of stock, and the absence of buyers, helped keep the FTSE close to its new high of 2640.7, reached the preceding Friday. By the close [illegible] business yesterday, indeed, that mark [illegible] been surpassed, [illegible] FT-SE [illegible] at 2645.7, a gain of 5 points on [illegible] week.

Contributing to the market's recovered poise [illegible] renewed faith [illegible] economic [illegible] might soon [illegible]. Those who keep an [illegible] on [illegible] were pleased [illegible] such [illegible] on Friday, with [illegible] biggest monthly [illegible] in American factory [illegible] for 20 years.

[illegible] UK will in time [illegible] by an OECD report, [illegible] projected "a [illegible] starting [illegible] of 1991". The [illegible] figures [illegible] a 2 per cent [illegible] in GDP in [illegible] first half of 1991, a [illegible] per cent rise in [illegible] current [illegible] months, [illegible] a 1.6 [illegible] cent [illegible]

The stock market will [illegible] watching [illegible] if [illegible] week's [illegible] of results [illegible] panied, at last, by optimistic trading [illegible]. There [illegible] help from [illegible] week's crop: W.H. Smith, reporting a [illegible] rise [illegible] full-year profits, said it had detected no signs yet [illegible] McAlpine, with interim profits [illegible] per cent, [illegible] the [illegible] struction industry was [illegible] in [illegible] middle [illegible] sion – a judgment [illegible] by [illegible] relative performance [illegible] industry's price/earnings ratio, as shown in the chart.

Only Williams Holdings, reporting a 26 per [illegible] in interim profits, [illegible] more optimistic: N[illegible] Rudd, chairman, [illegible] he had thought in March [illegible] bottom [illegible] recession had [illegible] touched, and had seen nothing since then [illegible] view.

Any predator stalking the Bank of England would [illegible] it [illegible] partly responsible [illegible] affecting British industry, through its involvement in monetary and exchange [illegible] policy in the [illegible] 1980s. If [illegible] partly responsible for [illegible] weakness [illegible] the corporate sector's [illegible] sheets, it [illegible] none the [illegible] claim [illegible] credit for [illegible] operation [illegible] repair them. The [illegible] no longer supervises a queue of rights issues, but [illegible] help companies [illegible] their [illegible] on [illegible] so [illegible] they [illegible] other offerings in [illegible] industry.

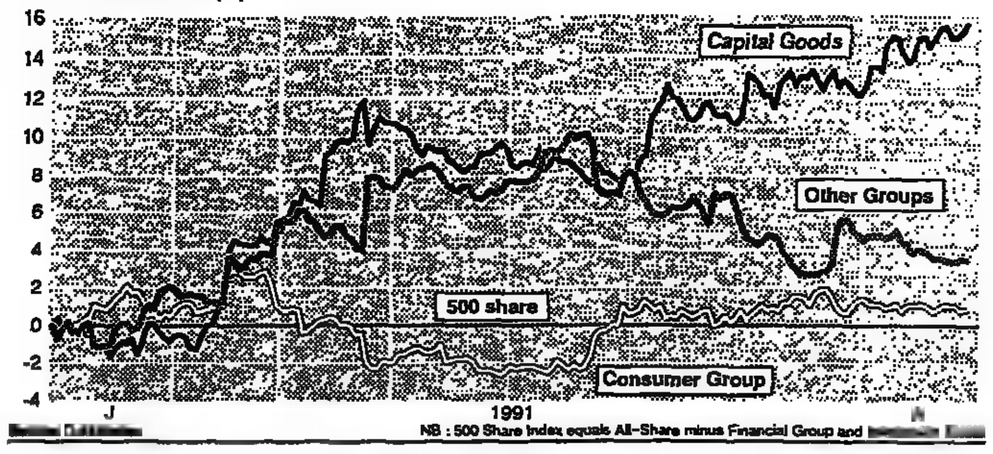
That [illegible] run like clockwork, and so far [illegible] year [illegible] been raised from rights issues. The figure is now [illegible] past the previous annual record, [illegible] 1987, of nearly £7bn, helped [illegible] way this week by [illegible] by Ladbroke, [illegible] betting [illegible]

[illegible] caused a certain amount of [illegible] City; [illegible] a result of [illegible] rights issue, gearing will be reduced from 61 per cent [illegible] cent. [illegible] been well prepared for the rights issue, and [illegible] shares [illegible] on Friday [illegible] 275, [illegible] 5p [illegible] week. A [illegible] of rights issues is expected [illegible] weeks; [illegible] remains [illegible] long [illegible] market will [illegible] enthusiasm for [illegible] paper.

**Peter Martin**

### How multiples vary

Price earnings ratios [illegible] three main FT-A All-Share sub groups, calculated [illegible] to p/e on FT-A [illegible] share index (%)




NB : 500 Share Index equals All-Share minus Financial Group and [illegible]

### HIGHLIGHTS OF THE WEEK

| | Price y'day | Change on [illegible] | 1991 High | [illegible] Low | |
|---|---|---|---|---|---|
| FT-SE [illegible] | 2645.7 | +5.0 | 2645.7 | [illegible] | Economic [illegible] |
| Blenheim | 1010 | +42 | 1010 | 570 | Anticipation of [illegible] split |
| [illegible] | [illegible] | -3½ | 88 | 17 | Company calls in fraud [illegible] |
| Cadbury Schweppes | [illegible] | +32 | 422 | 314 | Rumours of £5 a [illegible] bid |
| Douglas [illegible] | 563 | +102 | 563 | [illegible] | [illegible] bid approach |
| [illegible] | 553 | +18 | 563 | [illegible] | [illegible] 'buy' [illegible] |
| Greenalls | 365 | +13 | 369 | [illegible] | [illegible] NatWest recommendation |
| Ladbroke | 285 | +15 | 307 | [illegible] | Rights [illegible] anticipated |
| Leigh [illegible] | 322 | +22 | 351 | 277 | Underperformance noted |
| [illegible] | 476 | +20 | 477 | 301 | [illegible] figures |
| Trafalgar [illegible] | 253 | +10 | [illegible] | [illegible] | 'Buy' [illegible] |
| Warburg (SG) | 509 | +21 | 509 | [illegible] | Hoped-for upturn in corp business |
| [illegible] City Lon | [illegible] | +17 | [illegible] | 101 | [illegible] & property [illegible] |
| Wimpey [illegible] | 174 | -8 | 229 | [illegible] | Interims [illegible] switch rec. |
| Yorkshire TV | 188 | -19½ | 312 | 188 | [illegible] likely [illegible] stake |

Serious Money

# Hand Royal Bank and NatWest their cards!

*By John Authers*

PLASTIC HAS [illegible] been [illegible] expensive.

[illegible] announcements by National Westminster Bank and the Royal Bank of Scotland this week that they will charge annual fees for credit cards may signal [illegible] of the era [illegible] credit-driven conspicuous consumption.

Unfortunately, they might also signal the end of free banking [illegible] we ha[illegible] known it, as more banks feel obliged to [illegible] a narrow view of product profitability.

In many [illegible] it is [illegible] ing that [illegible] can no longer [illegible] profits on credit cards. They are less profitable [illegible] more [illegible] have got [illegible] cards are only good [illegible] if you [illegible] not [illegible] them [illegible] borrow.

This [illegible] have attracted [illegible] most [illegible] tion, but several significant institutions have introduced charges since Midland announced its charge in March. These [illegible] Halifax building society [illegible] Bank [illegible] Scotland.

Officials explaining NatWest's decision said [illegible] bank [illegible] made a profit [illegible] card [illegible] for [illegible] three years. Un-coincidentally, the proportion [illegible] paying their balances promptly, [illegible] thus [illegible] paying any interest, [illegible] period from about 25 per [illegible] cent.

The Royal [illegible] experience [illegible] been [illegible] identical, confirming [illegible] of [illegible] regularly [illegible] promptly, [illegible] barely a quarter did [illegible] years ago. Again, it is three years since the bank made a profit on its card business, although it hopes the charge will allow it at least to break even.

NatWest also admitted that it had made mistakes in the earlier marketing of cards. For example, [illegible] proliferation of "points" schemes, rather like Green [illegible] Stamps, allowing you to save towards different free gifts depending [illegible] how much [illegible] had taken out, seems to have done little to woo customers. These schemes also seem to be relics of an unfortunate bout of spending.

But charges on credit cards are not only a symptom of the nation's return to health after the spending fever of the mid-1980s. They also signal the end of an approach to banking as an overall package of services for each customer, to be replaced by a series of discrete products, each of which must pay its [illegible]

The Royal Bank [illegible] Scotland's charge, which discrimi[illegible] against [illegible] prudent [illegible] more profligate debtors, [illegible] evidence of this.

*'It is encouraging that banks [illegible] no longer make profits [illegible] credit cards'*

[illegible] unlikely to be bowled [illegible] by [illegible] generosity of [illegible] not [illegible] charge a [illegible] customers who [illegible] £60 [illegible] in interest.

The Royal Bank [illegible] gestions [illegible] it discourages [illegible] from staying in the black by pointing [illegible] has a [illegible] payment card, which people [illegible] (in [illegible] than will accept [illegible] Visa) [illegible] paying. [illegible] cards [illegible] for [illegible] borrowing, which [illegible] now [illegible] cheaper.

[illegible] Monopolies and [illegible] Commission's report on [illegible] shows that [illegible] ideas [illegible] changed. It [illegible] "The credit [illegible] with such unique characteristics in place [illegible] within a [illegible] sub-market in the market for personal financial services. NatWest customers may be unprofitable as a result of the use of Access cards and profitable in other ways, or vice versa."

Such a blatant volte-face seems quite sufficient reason to cut up your card. NatWest seems to have decided that its prompt-paying Access holders are not profitable enough in other [illegible] in spite [illegible] falling interest [illegible] on current accounts.

It [illegible] not [illegible] way. Banks, such as the TSB, which has ruled out [illegible] until at least the end of [illegible] year, Girobank, the Coopera[illegible] Clydesdale, are all still trying to [illegible] custom by resisting a charge, [illegible] though their resolve [illegible] slightly weaker than it was.

Midland has continued to allow people [illegible] give to medical or arts charities [illegible] "affinity" cards, which after [illegible] extra for its WorldWide Fund [illegible] Nature card seems particularly laudable. "Affinity" cards can also be had, free, from TSB, Girobank and the Leeds Permanent building society.

[illegible] Prosper remains opposed to charges and claims to have gained business from customers defecting from Lloyds, Barclays, and possibly Midland. It thinks it has a sporting chance of eventually selling such customers unit trusts, deposit accounts, or other products. However, even S&P is more reserved than it was. Earlier this year it said it would "never" charge S&P account-holders for credit cards. It no longer makes this commitment.

This [illegible] apart, the institutions in [illegible] table on [illegible] III all seem [illegible] worthy [illegible] custom than [illegible] clearers which have started charging.

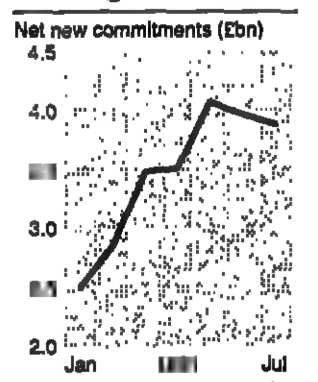
Free credit cards may well soon be a thing of the past. The convenience of the [illegible] logos may well be [illegible] paying for, but [illegible] still no point in paying for a product which you could have free elsewhere.

British [illegible] already [illegible] responsibility by putting [illegible] banks into this mess in [illegible] first place, should now take their logic further – by rewarding those banks and building societies still enlightened enough to provide a range of services, and punishing those who want every product to pay for itself.

### AT A GLANCE

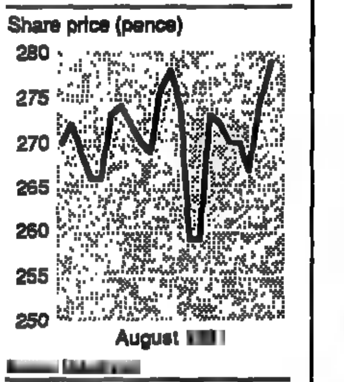
**Building Societies**

Net new commitments (£bn)



**Ladbroke**

Share price (pence)



#### Housing market still sluggish

*THE Building Societies Association* [illegible] was [illegible] sign of an upturn in the housing market, while disclosing [illegible] societies [illegible] commitments to lend [illegible] in July, *down 2* [illegible] *from £3.98bn in June. Gross mortgage* [illegible] in the period [illegible] £4.16bn, up 13 per cent, reflecting commitments [illegible] months earlier. Inflow [illegible] funds [illegible] Net receipts fell [illegible] *in July from £444m in June.* [illegible] director-general, [illegible] level [illegible] probably [illegible] to [illegible] withdrawal [illegible] savings [illegible] pay for [illegible] final instalment on water shares. Holidays and recent cuts in [illegible] *a toll.*

#### Ladbrokes rights issue

The [illegible] rights issue from [illegible] on Thursday [illegible] cash [illegible] in [illegible] memory. The story [illegible] the rounds in [illegible] during [illegible] previous week, leaving the *shares lower.* By [illegible] *time* [illegible] *announcement* [illegible] *made,* [illegible] shares [illegible] recovered [illegible] their previous levels. Ladbroke, which runs [illegible] UK's largest chain [illegible] betting shops, [illegible] *DIY* [illegible] *and* [illegible] *property interests,* [illegible] *use the* proceeds [illegible] £1.6bn [illegible] The [illegible] overshadowed [illegible] companies interim results, [illegible] simultaneously, which showed pre-tax profits [illegible] from £158m [illegible] £98m, a [illegible] blamed by Cyril Stein, chairman, on the [illegible] the Gulf [illegible] *on leisure spending.*

#### Latin American unit trust launched

The launch [illegible] first authorised British unit trust [illegible] exclusively in Latin American companies was [illegible] this week. Providence Capitol Fund Managers [illegible] appointed Latin American Securities, which [illegible] 15 [illegible] of experience in [illegible] area, [illegible] manage [illegible] fund. South America [illegible] a reputation as [illegible] world's more thriving economies, but Alan Parsonson, managing director [illegible] PCFM, [illegible] region will [illegible] "the major growth [illegible] for equities [illegible] *next decade", with growth predicted* [illegible] *twice* [illegible] OECD countries. There will be a three [illegible] fixed [illegible] period, following formal [illegible] on September 7. Minimum [illegible] *front* [illegible] *charge 5.5 per cent,* [illegible] management charge [illegible] cent.

#### Smaller companies find their feet

Smaller company [illegible] a steady [illegible] this [illegible] *turbulence* [illegible] Soviet [illegible] Govett Smaller Companies [illegible] gains version) rose 1.26 per [illegible] 1211.4 from 1196.32 [illegible] the [illegible] August [illegible] The County *Smaller Companies Index* rose 1.1 per [illegible] from 959 [illegible] over the [illegible] period.

#### 'Phone tipster out of order

City Information Bureau, a telephone share tipping service which [illegible] been publicising [illegible] *investment opinion* [illegible] *Mirror* Group Newspapers and Eurotunnel, has [illegible] investigated by the [illegible] Investments Board. SIB [illegible] that CIB's news [illegible] so [illegible] it flunked [illegible] tipster [illegible] not fall within [illegible] remit. However, CIB's [illegible] MGN [illegible] *advertising* [illegible] *45p a minute service* [illegible] *of* [illegible] Independent Committee for the Supervision [illegible] Telephone Information Services, which has already [illegible] powers to cut off [illegible] earlier messages on Amstrad, Tottenham Hotspur and Polly Peck. It ruled that [illegible] *promotions were misleading.*

Wall Street

# Brokers bask in an autumnal glow

IT IS [illegible] Day weekend in the [illegible], the holiday which marks the end of summer, and across [illegible] people's [illegible] are turning to autumnal beginnings.

Children are putting covers on [illegible] textbooks; [illegible] limbering up [illegible] the beginning [illegible] the football season [illegible] Sunday; and Wall Street brokers, soaking up a long weekend [illegible] sand and sun [illegible] the far end [illegible] Long Island, [illegible] mulling over the prospects for a new beginning in the [illegible] markets.

*The question* [illegible] *whether* equities, which [illegible] been stuck in [illegible] extremely narrow trading range for most [illegible] this year, are on the point of breaking [illegible] a sustained autumn rally. [illegible] all, the Dow Jones industrial [illegible] managed to hit [illegible] highs on Friday [illegible] week (3040.25) and Wednesday [illegible] this [illegible] (3055.23) and [illegible] Wall [illegible] analysts [illegible] predicting a [illegible] *more* [illegible] end, with [illegible] in prospect for [illegible] summer.

[illegible] bulls' [illegible] is made on the assumption that a sustained, [illegible] gradual, eco[illegible] under way and [illegible] the [illegible] will avoid [illegible] downturn [illegible] a "double dip" recession.

*The statistical evidence* on this remains murky, although at present it lends qualified support to optimists. True, the government this week revised its statistics on second quarter GNP growth from a 0.4 per [illegible] gain [illegible] a 0.1 per cent annual rate of shrinkage, showing that the [illegible] lasted longer than earlier thought, but that [illegible] largely [illegible] historic [illegible]

*It is true* [illegible] brought forth figures showing why consumer [illegible], an important engine of [illegible], remains [illegible] fragile: [illegible] was an [illegible] per [illegible] drop in new family home [illegible] in July, while in the [illegible] period [illegible] sonal income saw [illegible] first monthly decline since [illegible] the year.

However, yesterday produced more encouraging news – a *broad-based and stronger-*than-expected rise in the July index [illegible] leading [illegible] indicators.

All this seems to confirm a picture of a weak and vulnera[illegible] recovery, which [illegible] require more resuscitation [illegible] in the form [illegible] a [illegible] easing [illegible] by [illegible] Federal [illegible]

A belief that the Fed may ease again – particularly if [illegible] August employment report, due out [illegible] Friday, [illegible] bad – helps explain why *stocks hit record highs on* Wednesday, even as bad housing and income figures were being announced.

For if the central bank does [illegible] *its target for* [illegible] Fed Funds [illegible] this should [illegible] through into lower prime lending [illegible] from the banks, helping [illegible] and bolster[illegible] consumer confidence. The banks, anxious to shore earnings and capital ratios, have been reluctant to pass on the benefits of past rate cuts, so *there is a large disparity* between prime and Fed funds.

An easing of monetary policy would also help sustain the strong rally of the past few weeks in the bond market, which has seen the yield on the benchmark 30-year Treasury issue dip from around 8.5 per cent to the 8 per cent barrier. The bond market, which has been worrying about a reoccurrence of inflation *seems convinced* that this will not happen. Many analysts think this will bring down long bond yields to around 7.5 per cent over the next six months. And lower bond yields should make equities relatively more attractive.

Yet this benign picture of an assured rise in equity values, albeit accompanied by the inevitable short-term corrections that go with any bull market, may be a little too good to be true. The fact remains that the prices being paid for stocks are high by historic standards. For example, the average price earnings ratio of stocks in the Dow Jones stands at around 15.3, compared with 15.7 just [illegible] the 1987 stock market [illegible] and 7.9 in the depths [illegible] 1982 recession.

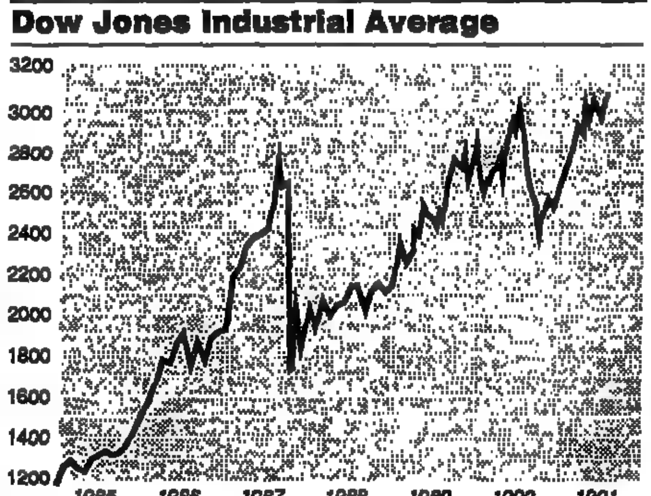
The optimists say that while the market may have got a little ahead of itself earlier this year, these levels can now be justified by the prospects for 1992 corporate earnings, which should rise modestly along with the economy.

Certainly, share valuations have stood so high for so long, and weathered so much bad news (*Gulf War,* [illegible] *coup* [illegible]) that it [illegible] difficult [illegible] just what cataclysm might shake confidence so much that the [illegible] breaches [illegible] long-standing floor [illegible] But then on a lazy holiday weekend in late August, as you delve in the refrigerator for another beer, it is difficult to focus on anything too unpleasant.

| | | |
|---|---|---|
| Monday | 3039.36 | – 0.89 |
| Tuesday | 3026.16 | – [illegible] |
| Wednesday | [illegible] | + 29.07 |
| Thursday | 3049.64 | – 5.59 |

**Martin Dickson**

### Dow Jones Industrial Average



The Bottom Line

# Williams unlocks the value of key holdings

INVESTORS [illegible] longer [illegible] it as [illegible] that increased profits from a conglomerate means [illegible] its shares are a good buy. If the profits [illegible] generated from [illegible] acquisitions investors will [illegible] where [illegible] group's future profits [illegible] from if [illegible] is no obvious takeover target.

*Similarly,* if a large part of [illegible] profit [illegible] based on [illegible] income (Hanson, [illegible] example, keeps [illegible] in dollars and [illegible] in sterling [illegible] UK's high interest rates) investors will want to know what [illegible] glomerate plans [illegible] in [illegible] of a significant fall in British interest [illegible]

So when Williams Holdings, the industrial conglomerate, *reports a 26 per* [illegible] *rise in* taxable profits [illegible] £76.5m, it is important [illegible] look [illegible] quality [illegible] the profits. [illegible] the profits inflated by acquisitions or [illegible] *arbitrage? Have* they been boosted by excep[illegible] or extraordinary items, relating, for example, [illegible] a disposal? Or are they due to the *conglomerate's ability* [illegible] *age the businesses better than* [illegible] previous management?

Conglomerates, by their nature, can keep many [illegible] about their profit growth secret. They [illegible] under [illegible] obli[illegible] publish a divisional [illegible] geographical [illegible] profits. (Although [illegible] will change by the end [illegible] year.)

In the past analysts have criticised many conglomerates, including Williams Holdings, for offsetting exceptional costs, relating [illegible] reorganisations, with [illegible]. The obvious *danger was that a* [illegible] the economy would mean [illegible] reorganisation [illegible] would [illegible] expensive than the money recouped from disposals. And so it proved to be.

[illegible] this criticism can [illegible] longer be [illegible] at Williams Holdings. [illegible] increased by 39 per cent. Nigel Rudd, chairman, would only [illegible] about the 26 per cent increase before last year's *exceptional and extraordinary* items. Williams [illegible] provided a [illegible] divisional breakdown of profits and turnover.

One of the simplest [illegible] *analysing* [illegible] *quality* [illegible] Williams' profits [illegible] look [illegible] information provided by its studies [illegible] the Yale & Valor businesses, bought in March.

*The Williams Holdings Spe*cial operations team, known as [illegible] "hit squad", [illegible] immedi[illegible] management control following the takeover. Operating *margins* – the profits generated from turnover – [illegible] running at 11 per cent. Rudd says his [illegible] spent the first [illegible] months fact finding and [illegible] putting [illegible] plan together.

"Quite frankly" [illegible] Rudd, "if a business run as slackly [illegible] Yale can make 11 per cent margins, it just shows [illegible] a good *business it is."*

What Rudd really means [illegible] what a clever buy [illegible]. A slackly run business with margins of 11 [illegible] cent means that Williams can improve the margins by a [illegible] another [illegible] cent by [illegible] end [illegible] the year, with scope for further improvements by the end of 1992. This is crucial to the group's *long-term ability* [illegible] *continue* making increased profits.

To his astonishment Rudd found out that at Newtone, one of the Yale & Valor's US factories, there had been *no physical* stock taking for more than 20 years. Throughout the group there was an excess *level* of stocks, up to 18 months in some cases. That will all change by the year end. So will [illegible] factory lay out, which according [illegible] Brian McGowan, chief executive, was badly organised and inefficient.

Encouraging signs of future profit growth are not confined to Yale & Valor. Margins in the two other main divisions, Industrial and Military Prod*ucts and Consumer and Build*ing Products, have increased 23.3 and 14.9 per cent, with signs of further improvements.

In Specialist Engineering the dominant business is the military bridge building company, bought [illegible] £18m from [illegible] Pearson Group, [illegible] owns the *Financial Times.* [illegible] is understood to be making annual operating profits [illegible] around £6m with margins [illegible] more than [illegible] per [illegible]. Rudd says Pearson *complained that it was lumpy.* "Those lumps [illegible] looking better and better", [illegible]

Being an acquisitive group, Williams still has its eye on the *next takeover. McGowan has* intimated that it is more likely to be in the US than the UK.

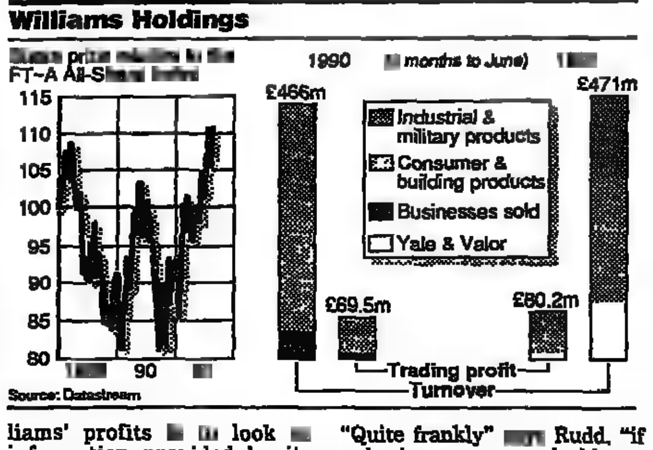
The group does not have to acquire a UK company to avoid difficulties with unrecoverable advance corporation tax. This is the tax deducted from dividends as an advance payment of corporation tax due for the year. But it effectively becomes a tax in its own right if a company pays less in mainstream corporation tax than in ACT.

Perhaps most reassuring for investors is that Williams does not have to make an acquisition at all. Its profit increases are being generated from its own businesses. Yale & Valor helped push up this year's interim profits. Yet with the continuing improvement in margins, Williams should be able to increase profits next year without having to launch a takeover. The quality of its profits has never looked better.

**Roland Rudd**

### Williams Holdings

[illegible] FT-A All-S[illegible]




Source: Datastream

# Chill winds blast the insurance industry

## How safe is your policy?

THE RECORD [redacted] suffered by insurers [redacted] the [redacted] months signal [redacted] worrying trend [redacted] the industry, which has been hit by [redacted] combination of weather and recession-related losses.

Britain's composite insurance companies – those selling general and life insurance – had their worst results on record last year, with Sun Alliance, Royal Insurance, Guardian Royal Exchange and General Accident all going deeper into the red.

Last year, only Co[redacted] Union held its [redacted] above water but it [redacted] is [redacted] to make losses this year. Although the losses have dented the capital [redacted] of these companies, all remain financially [redacted] comfortably able to maintain [redacted] increase the [redacted] they [redacted] to shareholders when they announced their results [redacted] half of 1991.

Over the past month [redacted] Star, the insurance subsidiary of BAT Industries, has announced one of [redacted] interim results.

"Bloody awful" was [redacted] blunt reaction of Michael Butt, chairman and chief executive of Eagle Star, to his company's pre-tax losses of £189m in the six months to June 30. Most of the shortfall – £121m – was due to underwriting losses sustained [redacted] the company's [redacted] mortgage indemnity business, with [redacted] resulting from [redacted] trend of mortgage [redacted] and repossessions by building societies. [redacted] indemnity [redacted] lenders against losses they [redacted] suffer in selling repossessed properties. [redacted] policies cover [redacted] against losses equivalent [redacted] 25 [redacted] of the loan.

This [redacted] was highly profitable until the [redacted] 1980s, when repossessions averaged 20,000 [redacted] but [redacted] to 44,000 [redacted] year. The figure [redacted] already 36,600 for [redacted] first [redacted] months of this [redacted]

Eagle Star, [redacted] Alliance, [redacted] Royal, [redacted] underwrite [redacted] than 50 [redacted] mortgage indemnity policies, [redacted] fore been particularly vulnerable to [redacted] recession [redacted] interest rates that [redacted] left many people [redacted] keep up [redacted] mortgage repayments.

To [redacted] matters worse, [redacted] resulting from theft, arson and subsidence [redacted] all increased. The cost of thefts and house burglaries has risen by almost 50 per cent from 1989 to more than £1bn last year, according to a survey by the Bristol-based Insurance Service last month.

Eagle Star, accounting for its losses, said the [redacted] burglary claims rose by 63 per [redacted] in [redacted] half of this [redacted], while subsidence claims amounted to £21m against [redacted] for the whole [redacted]

Subsidence claims have increased as a result of the hot summers and dry win[redacted] of 1989 and [redacted] The Association [redacted] British Insurers [redacted] was [redacted] five-fold increase in [redacted] in [redacted] and [redacted] continuing to rise.

Moreover, insurers report [redacted] marked [redacted] in fraudulent claims, [redacted] trend [redacted] they [redacted] on the recession and which is likely to help [redacted]sh up premi[redacted] later in the year.

In spite [redacted] this gloomy background [redacted] is only [redacted] minimal risk that [redacted] of the UK's large [redacted] companies will [redacted] such [redacted] difficulties that it will [redacted] unable [redacted] pay valid claims.

Even if [redacted] company were to fail, policyh[redacted] would still [redacted] safety net. The Policyholders Protection [redacted] – funded by [redacted] insurance industry [redacted] a whole – would assume most of its obligations. The PPB will [redacted] 100 [redacted] of claims incurred on insur[redacted] policies which [redacted] compulsory [redacted] buy, such as third party motor insurance [redacted] of all other claims.

PPB [redacted] formed [redacted] the collapse [redacted] Vehicle & General in 1971, one of the biggest failures in [redacted] industry, which [redacted] drivers with[redacted] cover. Its collapse followed a period of fierce competition in [redacted] motor [redacted] undercut competitors.

Other changes introduced [redacted] the [redacted] collapse [redacted] today's environ[redacted] very [redacted] from [redacted]

The solvency requirements – which govern [redacted] capital [redacted] needs to underwrite [redacted] quantity [redacted] in 1976. [redacted] solvency margin – [redacted] measures [redacted] company's capital against premium income – [redacted] 16 per cent.

[redacted] DTI will monitor the company's performance closely. It [redacted] to [redacted] of [redacted] management [redacted] ultimately instruct the company [redacted] from taking on [redacted] business.

The solvency margin [redacted] Royal fell to 32 per cent at the end of last year. Its assets [redacted] hit by losses [redacted] stock [redacted] it has [redacted] pulled [redacted] its solvency margin [redacted] 35 [redacted] The legal minimum [redacted] 16 [redacted] cent. GRE, [redacted] pre-tax losses [redacted] £157.2m for [redacted] a sharp fall in [redacted] capital [redacted] over 1990, with [redacted] solvency ratio falling from [redacted] per cent [redacted] per cent.

What about [redacted] Star, which [redacted] the [redacted] week? In spite of poor results, [redacted] solvency margin of 57 [redacted] of 1990 gives [redacted] policyholders [redacted] for [redacted] The drop from [redacted] solvency [redacted] of [redacted] per [redacted] earlier underscores the [redacted] that [redacted] year can make but this applies [redacted] upturns too.

Long before insurers reach "anxiety level" they are likely to take one of a number of options: make a rights issue to raise fresh capital; cut their dividend; or lower turnover by refusing to take on business with low premiums.

Analysts say that both Royal [redacted] taking the [redacted] path, cutting [redacted] of business they [redacted] in the UK. Royal may also [redacted] cut [redacted] dividend if [redacted] for [redacted] whole of 1991 are bad. [redacted] short period, [redacted] solvency ratio could improve [redacted] dramatically as it [redacted] fallen.

For the consumer, [redacted] of premiums rising is more justified [redacted] anxiety over [redacted] going under.

The [redacted] by the insurance companies, esti[redacted] at £1bn for [redacted] ance and [redacted] for fire and acci[redacted] across [redacted] industry [redacted] year, [redacted] premiums [redacted] year [redacted] many companies are already imposing [redacted]

[redacted] V&G collapsed [redacted] insurance [redacted] put up [redacted] premiums on new business by [redacted] of 33 per cent. The [redacted] not be [redacted] this year [redacted] consumers [redacted] brace [redacted] for higher bills [redacted] prepared [redacted] shop [redacted] to get the best rates.

**Scheherazade Daneshkhu**


## The careful shopper's guide

I[redacted] premiums are rising [redacted] following [redacted] results [redacted] industry. The Association of British Insurers estimates [redacted] people will [redacted] £1.50 more [redacted] for their [redacted] insurance [redacted] £1 a week more [redacted] building contents [redacted]

Luckily [redacted] the [redacted] choice [redacted] longer limited. Over [redacted] the old [redacted] down [redacted] the face of greater competition, spurred in part by [redacted] arrival [redacted] European companies [redacted] Cornhill, a subsidiary [redacted] German insurer Allianz [redacted] Westgate, [redacted] subsidiary of AXA, the [redacted] private company.

Direct sales insurers have also sprung [redacted] companies claim to [redacted] premiums by cutting [redacted] and selling [redacted] phone [redacted] They are competitive [redacted] cheaper [redacted] all [redacted]

Royal [redacted] Scotland's Direct Line [redacted] Churchill, which belongs [redacted] the Swiss [redacted] Wintertur, pioneered the direct sales [redacted] have since been joined by subsidiaries set up by Royal Insurance and General Accident.

Cheaper [redacted] sophisticated information technology [redacted] helped [redacted] industry allow [redacted] variation in [redacted] risk [redacted] the days in which the age of [redacted] driver, regardless of whether [redacted] driving [redacted] Ferrari [redacted] a Mini, [redacted] on which risks [redacted]

"Premiums [redacted] not going up [redacted] uniform rate", [redacted] spokesman for the ABI. "But companies [redacted] they will jack them [redacted] of [redacted] share."

Under [redacted] circumstances, it [redacted] important to [redacted] competition [redacted] offering. If [redacted] busy [redacted] telephone [redacted] various companies [redacted] employ [redacted] services [redacted] reputable insurance broker who will try and find the best deals.

Here [redacted] key [redacted]

■ Buildings: Building insur[redacted] for [redacted] of rebuilding your home. Last year, claims [redacted] insurance companies resulting primarily [redacted] subsidence [redacted] from the year before to £500m. Premiums are therefore rising [redacted] year for [redacted]

Until recently, insurers charged a flat [redacted] £2.20 for [redacted] rebuilding costs. Norwich Union [redacted] first [redacted] the big [redacted] companies [redacted] a [redacted] bands in which [redacted] according to [redacted] and storm damage. [redacted] range from [redacted] £2.40 [redacted] every £1,000 of [redacted]

Royal Insurance, Sun Alli[redacted] big insurers are [redacted] introducing differentiated [redacted] In [redacted] of [redacted] risk such as [redacted] and northern Cornwall the premium will actually fall [redacted] £1.80 [redacted] £1,000 [redacted] rebuilding [redacted] but in the highest [redacted] in [redacted] south [redacted] will rise [redacted] much as [redacted] or more per [redacted]

But before you rush [redacted] change your insurers, [redacted] whether subsidence has already affected your [redacted] – insurance companies will only [redacted] damage [redacted] place [redacted] policy [redacted] in force. You [redacted] normally [redacted] the first £500 [redacted] any [redacted] stipu[redacted] in [redacted] contract. Make sure [redacted] your policy [redacted] keeps [redacted] inflation.

Watch [redacted] for a new [redacted] – companies are thinking [redacted] bringing in [redacted] buildings insur[redacted] dence. The consumer would [redacted] have [redacted] pay [redacted] widening [redacted] policy.

■ Home [redacted] will advise you take [redacted] home [redacted] policy [redacted] them when [redacted] negotiating your mortgage. [redacted] you do, [redacted] looking [redacted] cynical [redacted] if [redacted] society pushes something [redacted] you [redacted] of [redacted] making [redacted] of [redacted] mortgage, you [redacted] more [redacted] in yours.

[redacted] lender [redacted] commission from selling you [redacted] insurance, the [redacted] of which [redacted] passed [redacted] to [redacted] – you may find better and cheaper insurance elsewhere.

[redacted] companies [redacted] premiums if you [redacted] part of [redacted] Neighbourhood [redacted] scheme, and if [redacted] have special [redacted] fittings.

Premiums [redacted] also often [redacted] the over-50s [redacted] they [redacted] fewer claims than others. Which?, [redacted] Consumer Association's magazine, is covering home contents insurance in [redacted] forthcoming September [redacted]

Contents [redacted] vary significantly with [redacted] charging [redacted] based [redacted] different [redacted] risk. See [redacted] table [redacted] examples [redacted] current rates.

■ M[redacted] protection insurance: All the [redacted] lenders offer insurance to cover your mortgage should you become ill or redundant. However, companies are introducing a sharp reduction in benefits as a means of reducing their liabilities. Those with standing orders should check the certificate of insurance to see whether their [redacted] is being reduced.

[redacted] indemnity period, which is being cut [redacted] by [redacted] companies [redacted] an [redacted] month period to 12 months, as well as the qualifying period, which [redacted] be[redacted] doubled in some cases [redacted] extended from 60 days to 90 days [redacted]

Some companies are also dropping voluntary redundancy from their cover and limiting it to compulsory redundancy. On [redacted] the [redacted] tailment [redacted] premiums [redacted] being increased by roughly 20 per ce[redacted]

■ Motor: This [redacted] probably [redacted] in which rates differ [redacted] competition has [redacted] premiums [redacted] given [redacted] that [redacted] and motor [redacted] companies lost £400m last year, premiums [redacted] rising.

Guardian Royal Exchange [redacted] week announced that [redacted] risen by [redacted] cumulative 30 per cent over the past [redacted] months [redacted] by [redacted] further 30 per [redacted] year. [redacted] motor premiums have increased by [redacted] of [redacted] this year.

The AA [redacted] customers against accepting so-called "free insurance" [redacted] motor [redacted] who [redacted] on [redacted] of insurance in a higher price [redacted] instead, with [redacted] drawback that [redacted] in [redacted] type [redacted]

Finally, it [redacted] important [redacted] avoid basing your insurance policy solely on the cost of the premium. [redacted] nothing [redacted] disheartening [redacted] a [redacted] and find you [redacted] ered. The [redacted] premiums comes into its own [redacted] comparing [redacted] policies [redacted] companies.

| HOUSEHOLD INSURANCE – ANNUAL PREMIUMS (£)* | [redacted] | Commercial Union | [redacted] Star | Norwich Union | Direct Line | Broker [redacted] |
|---|---|---|---|---|---|---|
| [redacted] NE4 | 336 | 436 | 448 | 361 | 321 | 270 |
| Redhill, Surrey RH1 | 251 | 286 | 298 | 274 | 239 | 223 |
| [redacted] | 217 | 286 | 288 | 274 | 226 | 220 |

*Three-bedroom [redacted] house; rebuilding cover of [redacted]; contents £25,000. Source: Leslie & Goodwin Insurance Brokers.

# Deadline for Names

TIME HAS run out for Names who want to leave the Lloyd's [redacted] and have [redacted] not [redacted] their agents.

The [redacted] by which [redacted] – [redacted] wealthy individuals whose capital backs underwriting [redacted] the insurance [redacted] – [redacted] let their agents know of [redacted] intention to resign or leave a particular syndicate expires today.

However, [redacted] staying in the [redacted] to join new syndicates or alter the balance of their portfolio – by increasing the amounts they commit to some syndicates and reducing their commitments to others – still have a couple of months to consider the options.

[redacted] annual reviews of the market published over the last few days can help them make up their minds. The Association [redacted] Lloyd's Members, the organisation representing the interests [redacted] than [redacted] Names, [redacted] Lloyd's [redacted] Syndicate [redacted] Prospects [redacted] week.

Chatset, the independent [redacted] has been analysing Lloyd's results [redacted] more than [redacted] published [redacted] breakdown of syndicate performance, [redacted]'s League Tables, on Thursday.

[redacted] is by [redacted] the [redacted] complete [redacted] of the [redacted] and contains [redacted] of each syndicates accounts since 1983.

However, both reviews provide enough information for at least a preliminary assessment of the business prospects of each Lloyd's syndicate.

Both contain full results for each syndicate trading in 1988 – and shows how their results [redacted] (which will be published in 1992 and [redacted] are evolving.

[redacted] review [redacted] details syn[redacted] capacity – the yardstick which [redacted] how much [redacted] underwriter can [redacted] Lloyd's rules – and how [redacted] Names [redacted] part of the syndicate.

There [redacted] of exactly what classes of business syndicates write. Although Lloyd's abandoned the system [redacted] formal [redacted] barriers [redacted] syndicates can still be broadly categorised into four [redacted] – [redacted] non-marine, aviation and motor.

But within [redacted] broad [redacted] syndicates can specialise in [redacted] range of [redacted] markets. Aviation, marine and [redacted] syndicates [redacted] varying levels of involvement in the esoteric and highly volatile retrocession market (the [redacted] of reinsurance), which [redacted] produced [redacted] Lloyd's [redacted] profits [redacted] in [redacted] years, for example.

[redacted] syndicates write common [redacted] such as ships' hulls and cargo, [redacted] some [redacted] on [redacted] such as oil rigs. Non-marine syndicates can specialise in straightforward property [redacted] fine arts risks [redacted] complex liability b[redacted]

[redacted] on liability [redacted] years after [redacted] inception of an original policy.

Occasionally [redacted] uncertain [redacted] of [redacted] claims [redacted] be sufficient to prevent an underwriter [redacted] being [redacted] to close his accounts for the year's business, leaving [redacted] syndicate "open".

[redacted] reviews also [redacted] a novel [redacted] – for the first [redacted] information about [redacted] salaries and profit-related bonuses earned by the syndicates' underwriters in [redacted] (with profit related [redacted] relating [redacted] the 1987 [redacted] available. Earlier [redacted] year Lloyd's obliged syndicates to disclose [redacted]

In general [redacted] best paid underwriters produce the best [redacted] For example Roy Hill, [redacted] marine syndicate 2 was paid £452,165. [redacted] on his syndicate earned a return of £1,237 for a line of £10,000, three times higher than the average for the non-marine market as a whole.

But there are some exceptions. The underwriter of Gooda, Walker syndicate 299, for example, earned £213,375 in 1990 making him the tenth best paid underwriter in the marine market. His Names made an average loss of £435 for a £10,000 line. Chatset also gives details on how much of his own money an underwriter has at risk in his syndicate.

■ *Lloyd's 1988 Syndicate Results and Prospects available price £15 (free to ALM members) from ALM, 16 St Mary at Hill, London EC3R 8EE.*

■ *Lloyd's League Tables 1989 available price £52 available from Chatset Ltd, PO Box 661, London SW1.*

**Richard Lapper**

| CREDIT CARDS WITHOUT FEES | [redacted] | [redacted] | Extra [redacted]? | Transfer balances from [redacted] cards? | [redacted] |
|---|---|---|---|---|---|
| **VISA** | | | | | |
| Bank of Cyprus | No | Yes | Yes* | No | [redacted] |
| Beneficial | No | Yes | No | Yes | 0800 [redacted] |
| Clydesdale | No | Yes | No | Depends | [redacted] 1777 |
| Co-operative | No | Yes | [redacted] | Depends | 0800 [redacted] 162 |
| Girobank | No | Yes | [redacted] | Yes | [redacted] |
| C Hoare & Co | No | Only [redacted] | Yes | Yes | 071 353 [redacted] |
| Leeds Permanent | [redacted] | [redacted] | No | No | 0532 550 555 |
| [redacted] Provincial | No | Yes | [redacted] | Yes | 0800 400 411 |
| Northern | [redacted] | Only [redacted] | No | Yes† | [redacted] |
| Robert Fleming/ Save & Prosper | No | Yes | Yes* | Yes | [redacted] 101 |
| Royal Bank of Scotland | No | Yes | No | Yes | 0702 [redacted] |
| Standard Chartered | [redacted] | Primarily for [redacted] | [redacted] | Yes | [redacted] |
| Town & Country | No | Yes | [redacted] | No | [redacted] 010 |
| TSB Trustcard | No | Yes | No | Yes | 0273 [redacted] |
| Ulster | [redacted] | Only [redacted] | [redacted] | Ask† | Local Branch |
| Yorkshire | [redacted] | Primarily [redacted] bank [redacted] | [redacted] | Yes | 0532 424 040 |
| **ACCESS** | | | | | |
| Clydesdale | No | Yes | No | Depends | 041 331 1777 |
| Northern | No | Yes | No | Yes† | 0232 245 277 |
| Ulster | No | Only Ulster/Eire | No | Ask† | Local Branch |
| **MASTERCARD** | | | | | |
| Midland affinity | No | No | No | Depends | Local Branch |
| TSB | No | Yes | No | Yes | 0237 724 666 |

* Home-owners in receipt of regular income. † Preference to Northern Ireland residents.

# Credit card levy

NATIONAL [redacted] this week became the last of the big [redacted] clearing banks to levy annual charges on credit cards. Royal [redacted] of [redacted] announced [redacted] own charge.

NatWest's charge takes [redacted] on October 15. Only one [redacted] paid [redacted] you hold [redacted] Access [redacted] Visa. However, if you [redacted] NatWest's "affinity" Visa card, [redacted] in [redacted] Worldwide Fund for Nature, [redacted] both [redacted] other [redacted] cards, [redacted] need [redacted]

Royal [redacted] charging [redacted] as [redacted] January 20 next year. However, [redacted] charge [redacted] be payable [redacted] Access, [redacted] and MasterCard affinity account. [redacted] charge [redacted] directly [redacted] regular pay[redacted], as all [redacted] who [redacted] paid [redacted] monthly [redacted] of £5 in [redacted] will not have [redacted] an annual charge.

NatWest's [redacted] not [redacted] favourably [redacted] competition – Lloyds Bank, [redacted] introduce the [redacted] Barclays charges £8 and Midland £10.

As the table shows, several banks and building societies still offer credit cards without a fee.

If you are [redacted] car[redacted] you [redacted] receive, if you have not had it already, a letter asking if you are prepared to pay the fee.

NatWest has attempted to dampen adverse publicity by reducing the monthly interest rate to 1.9 per cent per month (26.8 per cent APR[redacted] per cent per month (29.8 per cent APR).

The bank is also introducing three new cards, in [redacted] the three already in circulation. One – "Visa Primary" – charges only £6. However, the credit limit is only £500 and the annual percentage rate charged on [redacted] higher than on [redacted] other cards. NatWest [redacted] ity to convert your outstanding balance (minimum £500) into a fixed-term loan. The range also includes a gold card, with a minimum credit limit of £2,500 and an annual fee of £35.

**John Authers**

# BES season opens

T[redacted] shelter investments [redacted] the Business Expansion [redacted] again.

[redacted] BES companies are [redacted] year, in February and [redacted], but it is possible, until October 5, to carry back relief.

[redacted] rules [redacted] complex – only [redacted] maximum of half an investment you make now can be backdated to 1990-91, and this is subject to a maximum of £5,000. If you invest £5,000, you can backdate relief on £2,500, but if you invest £45,000 only £5,000 can be backdated. The maximum investment qualifiable for tax relief in any one [redacted]

Virtually all [redacted] invest in [redacted] property, [redacted] let [redacted] under [redacted] "assured tenancy" [redacted] last for [redacted] Full [redacted] relief, [redacted] 40 per cent, is available for top-rate taxpayers, which [redacted] that you [redacted]ively only pay for 60 per cent of the value of the investment.

The most successful schemes in the [redacted] launched in conjunction [redacted] housing [redacted] and universities, [redacted] agreed [redacted] buy back the properties, [redacted] price, [redacted]

[redacted] "predator" companies attempted, by buying cheap properties at the bottom of the recession, to offer high growth without the guarantees.

You can choose from:

■ [redacted] London (Croydon), which [redacted] buy-back [redacted] with the Peabody [redacted] and [redacted] an equivalent annual return of 16.5 [redacted] top [redacted] relief, provided the trust [redacted] to [redacted] obligations.

■ IMAGE (I.M. Assured [redacted] and Exit) which [redacted] a rate of 17 per cent, guaran[redacted] by [redacted] Group, a property company, can pay the bill in five years' [redacted] The [redacted] has [redacted] write the [redacted]

■ IMPRESS will buy [redacted] Imperial College, London, with an [redacted] rate [redacted] cent.

■ [redacted] Competitor, a predator-type company, is simply aiming for maximum growth and "no gimmicks".

■ Premium Gains, offered by the Scottish solicitors Neill Clerk, falls between the two extremes. It uses a covenant, based on unmatured endowment policies, to guarantee 38 per cent growth over five years. Maximum possible growth is 70 per cent.

The number of schemes is likely to double next week, and so it is best to wait until the range of choices is complete. Investors are unlikely to lose anything by waiting a week.

**John Authers**

## Directors' Transactions

HENRY [redacted] Group, which [redacted] involved [redacted] and erection of steel buildings, saw sizeable selling in January last year at 270p. In recent weeks there has been some steady, if modest, accumulation of [redacted] by [redacted]

[redacted] Electronics [redacted] by [redacted] years [redacted] with a controlling [redacted] by [redacted] chairman Ian [redacted] bid [redacted] unsuccess[redacted] bought in [redacted] additions [redacted] following good results. Co-incidentally [redacted] slightly reduced his holding whilst retaining almost [redacted] shares between himself and his wife.

Brian Wheeler of Bimec has proven to be adept [redacted] judging [redacted] price before, buying 100,000 at 41p in February and selling 70 [redacted]t higher.

Mountleigh Group, censured by the [redacted] Exchange for [redacted] selling 11 per cent [redacted] price substantially above [redacted] price) [redacted] Getty Trust, [redacted] buying recently. [redacted] Ian MacGregor [redacted] pur[redacted] the [redacted] prefer[redacted] 35p following a purchase of ordinary by [redacted] fellow [redacted]r [redacted] this month.

Great Portland [redacted] noting: Richard Perkin [redacted] been [redacted] buyer [redacted] his own [redacted]

Angus MacDonald
[redacted] Ltd

**DIRECTORS' SHARE TRANSACTIONS IN THEIR OWN COMPANIES (LISTED & USM)**

| Company | Shares | Value | No [redacted] |
|---|---|---|---|
| **SALES** | | | |
| [redacted] Index | 75,000 | 117 | 1 |
| Bimec | 900,000 | 630 | 1 |
| Blick | 200,000 | 510 | 1 |
| Marks & Spencers | 136,495 | 386 | 2* |
| Sage | 21,985 | 57 | 1 |
| **PURCHASES** | | | |
| Gt Portland Estates | 50,000 | 92 | 1 |
| Greenacre | 2,286,548 | 114 | 1 |
| Midland Bank | 10,000 | 24 | 1 |
| M'leigh Con Cum Prf | 200,000 | 70 | 1 |
| Multitone | 20,000 | 15 | 2 |
| Small Cos Inv Trust | 15,000 | 11 | 1 |
| Sumit | 50,000 | 23 | 1 |
| Ultramar | 5,000 | 14 | 1 |
| VTR | 70,000 | 32 | 2 |

[redacted] in [redacted] Companies [redacted] Exchange [redacted] working [redacted] a [redacted] This list [redacted] all [redacted] of options (*) if [redacted] subsequently [redacted] a value [redacted] Information [redacted] Exchange [redacted] August 1991.

[redacted] Ltd, Edinburgh

# FINANCE AND THE FAMILY

Life's Landmarks

## Helping the next generation

*John Authers helps you plan for the inevitable*

YOU CANNOT avoid death. But the lenient inheritance [illegible] (IHT) regime means that you can at least avert the financial suffering it might cause your dependants, while providing yourself with [illegible] comfortable [illegible] before it happens.

However, on this emotive subject it [illegible] very important only to [illegible] what you want to do. If you are not happy to give the money away, keep it.

The most important points to [illegible] about inheritance [illegible] are as follows:

■ You can leave your [illegible] as much as you like – [illegible] are completely [illegible] from all inheritance [illegible].

■ You [illegible] leave [illegible] £140,000 to people other than your spouse [illegible] of tax. All of your estate above the level of [illegible] will be [illegible] per cent.

■ Lifetime gifts made more than seven [illegible] before your [illegible] also be exempt from [illegible]. If however, you die before [illegible] are [illegible] and the rest of your estate comes [illegible] the threshold, some tax will [illegible] payable on these gifts. They [illegible] only "potentially exempt" transfers (or PETs).

■ [illegible] income can [illegible] made provided they [illegible] part [illegible] your normal annual expenditure and do not reduce your usual living [illegible]. [illegible] Inland Revenue is [illegible] be [illegible] vinced on this point, such gifts [illegible] be regular and well established.

■ Outright gifts of [illegible] to [illegible] made each [illegible] any number [illegible] individuals, [illegible] IHT. This [illegible] addition [illegible] all PETs and the £140,000 threshold or "nil [illegible] band".

■ [illegible] in your will [illegible] charities, political parties, and various other non-profit making organisations [illegible] exempt.

A final point, vital [illegible] IHT planning schemes, [illegible] death benefits from [illegible] assurance policy [illegible] also exempt, [illegible] in trust.

In [illegible] this sounds very lenient, bear in mind [illegible] value [illegible] house, particularly [illegible] the house price inflation of [illegible] decade, could easily put you above the threshold.

Your first [illegible] is, of course, writing a will. This [illegible] vital if you want to take any [illegible] to minimise your heirs' IHT burden. [illegible] are complicated and [illegible] between England and Wales, Scotland, and Northern Ireland, and they might [illegible] all [illegible] with your wishes. For example, marriage automatically revokes [illegible] previous will in England and Northern Ireland, but [illegible] in [illegible].

Once you have finished with your solicitor, you [illegible] need to talk [illegible] accountant, or some [illegible] fee-charging adviser, [illegible] limiting inheritance [illegible]. There [illegible] no shortage of plans [illegible].

Inherited wealth has ballooned in recent [illegible] in home ownership, and Labour's plans [illegible] significant [illegible] IHT, possibly by turning [illegible] into a [illegible] on [illegible] recipient, [illegible] encouraged a proliferation [illegible] IHT-planning products. Most of [illegible] companies offering them [illegible] using [illegible] "hurry [illegible] stocks last" sales pitch.

Simply [illegible] "package" [illegible] by [illegible] particular company might [illegible] simple option, [illegible] you can often [illegible] better by shopping around. The structure [illegible] plans [illegible] widely [illegible] and [illegible] will make [illegible] for [illegible] than others. Interpreting the law [illegible] problems as no precedent [illegible] yet [illegible] schemes.

There [illegible] methods of IHT planning. [illegible] can [illegible] your dependants will have [illegible] their IHT bill, [illegible] life insurance, which [illegible] on death, to help [illegible] pay it. [illegible] you [illegible] put [illegible] trust in such [illegible] that [illegible] part [illegible].


The former approach [illegible] the virtue [illegible] simplicity, but [illegible] can be expensive. [illegible] policies [illegible] cumbersome, and [illegible] make poor [illegible].

A refinement [illegible] this approach, [illegible] are certain [illegible] they [illegible] enough [illegible] live [illegible] is a "back [illegible] back" plan where [illegible] buy both [illegible] policy and [illegible] annuity.

[illegible] an annuity [illegible] bought, [illegible] whole lump sum paid [illegible] the [illegible] outside your estate, [illegible] it is therefore very [illegible] IHT purposes. You [illegible] the payments from the annuity to fund the premiums [illegible] policy.

Thus when you [illegible] your [illegible] has [illegible] reduced, while your heirs have received a tax-free sum to help pay what taxable estate remains. The big problem with this route is that you could end up paying a lot of commission, as both these products bear a heavy burden of charges. Fee-charging intermediaries, who will also shop around for the best rates, should offer you the best deal.

An alternative which may cost less but does not reduce the estate by so much is to buy gilts (UK government bonds) and use them to finance the life policy premiums.

Trusts have been described by one adviser as "gifts with conditions attached". Variations in these conditions are clouded by legal disagreements. Virtually every plan on the market claims to have counsel's opinion on its side.

However, as counsel's job is to argue a case, rather than to decide on its ultimate merits, this cannot guarantee that any particular plan will be accepted by the Inland Revenue. Until legal precedents have been set, it may be easier to wait.

As a general rule, you will need to give money to the trust, so that you cannot have the use of it, before the Revenue will accept it as a disposal.

Trusts are typically "gift and loan", where some money is given to the trust but a larger proportion is only loaned. Profits made by the trust on the money loaned to it should be immune from IHT although the precise limits are controversial.

A quick review of recently launched products [illegible] illustrate [illegible] Laurentian Life [illegible] "retained [illegible]" trust, under [illegible] a portion [illegible] the investor's capital is retained to provide income. The remainder [illegible] set aside for beneficiaries. The trustees of the plan can decide to return all [illegible] the original investor's money at any time, if they deem it necessary.

The [illegible] holds [illegible] private portfolio bond which can be [illegible] as a pocket for an existing portfolio [illegible] investments. This scheme plainly has great attractions.

However, Skandia's new package [illegible] a much more conservative view [illegible] what the law will allow, and the trust deeds make [illegible] much harder for the donor into the trust to gain access [illegible] the trust. It [illegible] establishes separate trusts for the gift and the loan, again to make clearer that assets have been surrendered for IHT purposes.

Chamberlain de Broe's new plan revolves around splitting the investor's assets into income and growth producers. The income-earning assets are retained; the investor then lends money to a trust which purchases growth-producing assets.

This, it is argued, allows the investor to retain some control of his assets. The trust's assets are then used to purchase an offshore private portfolio bond. Although the Inland Revenue has clamped down on these as vehicles for avoiding income tax they are still exempt from capital gains tax.

There [illegible] further tax loophole [illegible] can be exploited. If [illegible] private portfolio bond is written on the lives of all the trustees, then the death of the person who establishes [illegible] (the settlor) [illegible] not force [illegible] the bond. If [illegible] bond [illegible] in [illegible] following the [illegible] death, the bond will [illegible].

■ *Chamberlain De Broe, based [illegible] London, [illegible] Towry Law, of Windsor, [illegible] produce free guides [illegible] planning. Stoy Hayward publishes [illegible] guide, price £8.99.*

## Irritation over trust changes

*Caroline Garnham [illegible] rules for settlors of offshore trusts*

IF YOU PUT money into an [illegible] trust created [illegible] March 19 this year, you could be [illegible] peeved about [illegible] year's Finance Act.

People creating [illegible] can take [illegible] prepare for [illegible] consequences or draft the [illegible] deed to [illegible] the more penal tax provisions. But it is too late if you created [illegible] Budget.

In future, if you [illegible] a settlor you could [illegible] capital gains tax on gains [illegible] by [illegible] trust. [illegible] penalty can apply [illegible] if you [illegible] in [illegible] from [illegible] trust or control [illegible] actions of [illegible] provisions come into [illegible]:

■ You have contributed [illegible] the trust.

■ [illegible] or become non-UK resident.

■ You [illegible] and domiciled in the UK.

Any of the following [illegible] regardless of how [illegible] the possibility of [illegible] actually deriving any [illegible] from [illegible] trust is: you, your spouse (whether [illegible] not), your children (regardless [illegible] how [illegible] they are) [illegible] (separated or not), a company controlled by [illegible] people [illegible] if [illegible] settlement was [illegible] March 19 [illegible]. If [illegible] before this date, the legislation [illegible] triggered by one [illegible] four [illegible] argument [illegible] lobbying for [illegible] during the Committee [illegible] the Finance Bill.

[illegible] trigger [illegible]

■ Adding property to the trust on [illegible] March 19 [illegible], no [illegible] small [illegible] property is. This [illegible] thought particularly damaging [illegible] settlements [illegible] trust fund held [illegible] income-producing [illegible] such as private company [illegible] land.

Very [illegible] if [illegible] income produced by [illegible] trust [illegible] insufficient [illegible] the trustees' [illegible] the [illegible] look to [illegible] for [illegible] addition [illegible] jeopardising the trust assets. The [illegible] introduced an amendment to the Finance Bill to cover this point but it [illegible] not generous. It covers the trust's administration and taxation expenses, but deliberately [illegible] capital expenses.

The costs of legal [illegible] a reorganisation [illegible] of the [illegible] would presumably be [illegible].

[illegible] the Inland Revenue expects the [illegible] to [illegible] in [illegible] future [illegible] trust [illegible] liquid capital remains to [illegible] seen. Certainly, [illegible] situation [illegible] far from clear.

■ Taking [illegible] UK settlement [illegible] March 19 1991. This would include a situation where [illegible] non-UK [illegible] on or [illegible] March 19 [illegible] and forgot to resign [illegible] emigrating. UK settlors should, therefore, keep [illegible] watchful eye on their [illegible].

■ Variation of the terms of [illegible] on [illegible] 1991 so that either you, or your children, or their spouses could for the first time [illegible] person who could benefit.

The wording of this trigger event is welcomed by tax barristers who can see juicy fees in deciding [illegible] "variation" means. Technically this should exclude any simple exercise of a power in the trust [illegible] appoint [illegible] trust fund on different trusts or to different [illegible]. Under these circumstances, [illegible] tax barrister could argue that the trust has not been varied, merely exercised.

In my view, it may be a good argument [illegible] in a corner, but it would be better for the [illegible] not to exercise their powers so as [illegible] bring this provision into play unless [illegible] absolutely [illegible].

Tax barristers could also quibble about the word "persons". The way the legislation is worded suggests that if a beneficiary is not in existence at the time of the "variation" – such as a future spouse or child – the variation to benefit them will not trigger the settlement.

In any event this clause is causing confusion and should make planning very difficult.

■ Either you or your [illegible] their [illegible] benefit from the trust after March 19 1991, if it [illegible] not expected they would benefit under the terms of the settlement if you looked at it before March 19 1991. If [illegible] was confusing, this [illegible] gobbledegook. It would [illegible] pay [illegible] from the trust fund in [illegible] of [illegible].

If, as a settlor, you become liable to tax on the gains made by a trust set up or added to by you, there is a right of recovery against the trustees of the settlement. But there is no guarantee [illegible] will pay out if the payment would be in breach of the trust, and no guarantee that the payment will not be treated as a capital distribution.

On a more optimistic note, however, the new legislation has inevitably has left a number of loopholes into which the discerning tax payer can slip.

For example the new rules taxing settlors do not apply if any of the following apply:

■ the settlor has died;

■ will trusts;

■ if the settlor was and still is non-UK resident

■ the settlor is non-UK domiciled or

■ the settlement was [illegible] the Budget and none [illegible] the four other [illegible] have been triggered.

It should also be remembered that the new rules taxing settlors only relate to capital gains tax.

■ *Caroline Garnham is a tax partner with the London firm of solicitors Taylor Joynson Garrett.*




## A new way to cut your tax

*Graham Cooper spells out further advantages of Furbs*

F[illegible] are retirement benefit schemes which, as explained in [illegible] & the [illegible] last week, [illegible] useful if they [illegible] own merits [illegible] than as a replacement pension [illegible].

A funded unapproved [illegible] ment benefits scheme, [illegible] Furbs, could be [illegible] cheaper way of distributing company [illegible] to an employee than a direct payment of [illegible] or [illegible].

A [illegible] is not [illegible] the Inland [illegible] so the requirement [illegible] with [illegible] pension [illegible] irrelevant. In particular, [illegible] is no need [illegible] a "pensioner" [illegible] can be whoever [illegible] to appoint.

Also, provided [illegible] is only [illegible] member, [illegible] regulations [illegible] not [illegible] which means [illegible] accounting [illegible] kept to a bare minimum. A Furbs does not have to be registered with the Registrar of Pension [illegible], so [illegible] of administration [illegible] be kept [illegible] minimum.

There [illegible] no investment restrictions. Residential property, company shares, loans to [illegible] non-income producing [illegible] (which [illegible] either banned [illegible] heavily [illegible] approved "small" pension schemes) [illegible] in without [illegible] incurring [illegible] of the Inland Revenue.

Provided the [illegible] lished [illegible] purpose [illegible] providing "relevant benefits", it will be [illegible] basic rate [illegible] per cent) on both [illegible] income and [illegible] capital gains, [illegible] in [illegible] personal ownership [illegible] individual are [illegible] at 40 per cent on income and capital gains. This [illegible] primarily why it is advantageous for [illegible] retained in the [illegible] benefit of [illegible] employee.

Indeed, [illegible] of [illegible] logic suggests [illegible] employee (particularly [illegible] he [illegible] tial personal assets) [illegible] seriously [illegible] reducing his direct contractual remuneration from [illegible] company, and [illegible] virtually all his income in the [illegible] payments into [illegible] Furbs. In [illegible] meantime, [illegible] can live [illegible] his personal [illegible] and use them [illegible] pay the [illegible] tax demands [illegible] will [illegible] on the payments [illegible] the company into the [illegible].

The process [illegible] his personal [illegible] into the Furbs, in [illegible] words, away [illegible] per [illegible] (or, possibly, a higher [illegible] should [illegible] a change [illegible] government) tax environment to a 25 per [illegible] environment.

The advantages do [illegible] there. It is not difficult to structure the Furbs [illegible] it is a "sponsored superannuation scheme" for the purposes of inheritance tax legislation.

[illegible] means that, [illegible] the employee die, the [illegible] can be subject [illegible] the same discretionary [illegible] as applies to ordinary pension scheme death benefits: the proceeds can [illegible] distributed by the trustees of the Furbs among a wide class of beneficiaries, without incurring any charge to inheritance tax.

Effective transfer of assets into the Furbs thus not only [illegible] and [illegible] tax, but [illegible] inheritance [illegible].

What has to be given up in order to receive these surprising privileges? Remarkably little, it transpires.

We have already seen that the Furbs must have the provision of "relevant benefits" as its sole purpose, in order to enjoy the 25 per cent tax break. "Relevant benefits" basically [illegible] payments on death, [illegible] leaving service. This [illegible] that [illegible] individual might not [illegible] the funds if he was still in employment with the company.

The Furbs [illegible] investment [illegible] and loans to members are certainly possible. (The Revenue might argue that the making of such a loan constitutes a breach of the "relevant benefits solely" requirement, but this is open to challenge.)

In any event, the Furbs can always [illegible] wound-up, and assets taken as tax-free cash, if a liquidity crisis arises, to be followed by the established of a further Furbs when times are better.

When can benefits normally be taken? As we have seen, the [illegible] at any time after "retirement". Tax considerations dictate that benefits [illegible] not be [illegible] in pension form, [illegible] all pensions are subject [illegible] income [illegible]; they should be taken as a lump sum, which will be tax-free, provided it can be proved that all contributions paid into the Furbs were taxed on the individual as income.

[illegible] appears to [illegible] nothing preventing [illegible] being [illegible] as [illegible] of lump sums, so [illegible] to retain the maximum level [illegible] assets in [illegible] Furbs, enjoying the ongoing tax advantages.

Ironically, there is one form of investment that should be [illegible] – life [illegible] policies. Under legislation which [illegible] contemplated [illegible] existence [illegible] unapproved retirement [illegible] schemes, [illegible] profits arising on [illegible] policy held by the Furbs will be assessed as trading income of the company [illegible] originally contributed to the Furbs – even though the company has no beneficial interest in the policy.

Moreover, unless the provision of the Furbs specifically allowed it, the company would have no power to recover its [illegible] from [illegible] the Furbs.

Quite possibly, this "lock-out" of the life assurance companies from a potentially lucrative market is responsible for the lack of publicity given to these unapproved schemes. It is clear, however, that almost [illegible] family company and larger public company should consider introducing them [illegible] their senior employees.

■ *Graham Cooper is an actuary [illegible] a partner in [illegible] Bridge Street Consultants.*

### The Week Ahead

## BTR profits gloom

BTR, the industrial conglomerate, [illegible] expected to [illegible] a drop on Thursday [illegible] about £100m in [illegible] half-year pre-tax profits from [illegible] £530m year earlier.

Alan Jackson, new [illegible] executive, has [illegible] started [illegible] buy and sell companies as part [illegible] his [illegible] of making the group more of an [illegible] broker. Analysts will [illegible] looking for [illegible] the big acquisition which he promised when he took [illegible] in January.

**BAT Industries**, the tobacco to insurance group, is expected to report a sharp decline in pre-tax losses at the half-year stage on Wednesday. Analysts expects pre-tax profits to be between £360m and £380m, compared with £549m a year earlier. The group's Eagle Star insurance subsidiary reported a £189m pre-tax loss last week and this is the main reason for BAT's deterioration.

**Reckitt & Colman**, the food and household products maker, [illegible] to have advanced by about 10 [illegible] £120m and £125m pre-tax in [illegible] first half with the help [illegible] Boyle-Midway, a North American household and toilet[illegible] bought [illegible] year.

**Sedgwick Group**, the insurance broker, is expected to record a marginal fall in pre-tax profits in its interim figures on Tuesday. Sedgwick's pre-tax profits are expected to be [illegible] £60m and £65m for the first six months of 1991, compared with £67.7m at June [illegible] 1990.

**Taylor Woodrow, Wimpey, Amec, Persimmon and Blue Circle's** results during the [illegible] will underscore the decline in the construction sector. Saatchi [illegible] Saatchi's will [illegible] little encouragement [illegible] shareholders. T&N and Burmah Castrol will shed [illegible] light on the fortunes [illegible] the industrial [illegible] Pentos on [illegible] retail [illegible].

### COMPANY [illegible] SUMMARY

**TAKE-OVER BIDS AND MERGERS**

| Company bid for | Value of bid per share** | Market price** | Price before bid | Value of bid £ms** | Bidder |
|---|---|---|---|---|---|
| | Prices in pence unless otherwise indicated | | | | |
| API | 145 | 111 | 97 | 30.33 | NMC |
| Carbo | 240§§ | 231 | 230 | 31.09 | Hopkinsons Grp. |
| Copson (F.) | 38* | 35 | 35 | 4.43 | Precis |
| Cramphorn | 102 | 101 | 81 | 16.84 | Wyevale Gdn. |
| Etam | 185*§ | 183 | 180 | 87.2 | Oceana Inv. Corp |
| Food Inds. | Ir151.0♥ | Ir142 | Ir135 | Ir58.16 | Greencore |
| Goring Kerr | 223 | 219 | 189 | 8.28◆ | Cambridge El Ind |
| Goring Kerr | 205* | 218 | 198 | 7.61◆ | Thermo Electron |
| Invergordon | 225* | 253 | 163 | 286.28 | Whyte & Mackay |
| Macarthy | 239½ | 289 | 168 | 65.92 | Grampian Hldgs. |
| Macarthy | 298§§ | 289 | 255 | 82.02 | Lloyds Chemists |
| Macarthy | 261§§ | 289 | 232 | 71.83 | UniChem |
| Rockware | 103* | 110 | 59 | 176.87 | BTR |
| SD-Scicon | 60* | 60 | 43 | 121.16 | Elect.Data Syst. |
| Tyndall Hldgs. | 63§§ | 57 | 49 | 35.05 | Jupiter TM |

*All cash offer. ††Cash alternative. §For capital not already held. ‡Unconditional. **Based on 2.30pm prices 30/8/91. †At suspension. §§Shares and Cash ◆ For 48.9%. ♣ For 13.3% outstanding. ♥Approximate average value, assuming each shareholder elects to take up full pro rata entitlement of the Convertible Alternative. Offer comprises two parts 1)Ir£1.468 cash 2) a 9½% Convertible Loan Stock Alternative 1995 (conversion price 270p) on the following basis: in lieu of every Ir£1.00 of cash under the offer- Ir£1.00 nominal amount of Greencore Convertible.

**PRELIMINARY RESULTS**

| Company | Year to | Pre-tax profit (£000) | | Earnings* per share (p) | | Dividends* per share (p) | |
|---|---|---|---|---|---|---|---|
| Aerospace Engineering | Apr | 2,010 | (2,710) | 4.38 | (5.43) | 3.12 | (3.12) |
| Cramphorn | Jul | 648 | (1,300) | 4.41 | (7.11) | 2.03 | (1.92) |
| Davies (DY) | Apr | 576 L | (1,460) | - | (15.9) | - | (5.7) |
| Flextech | Mar | 6,200 | (4,950) | 13.09 | (11.2) | 1.5 | (1.0) |
| Primadona | Jun | 358 † | (276 †) | 8.0 | (6.1) | 4.5 | (4.0) |
| Richmond Oil & Gas | Mar | 795 L | (142 L) | - | (-) | - | (-) |
| River & Merc. Smaller | Jul | 1,230 † | (-) | 4.39 | (-) | 3.75 | (-) |
| Smith (WH) | Jun | 89,000 | (86,000) | 29.8 | (29.9) | 12.5 | (11.5) |
| Stavert Zigomala | Mar | 65 | (77) | 15.87 | (19.56) | 18.75 | (18.36) |
| TR European Growth | Jun | 1,200 † | (-) | 3.14 | (-) | 2.5 | (-) |
| Trio Investment Tst. | Jun | 55 # | (-) | 1.37 | (-) | 1.0 | (-) |
| Waverley Cameron | Mar | 617 L | (1,430) | - | (0.17) | - | (1.0) |

**INTERIM STATEMENTS**

| Company | Half-year to | Pre-tax profit (£000) | | Interim dividends* per share (p) | |
|---|---|---|---|---|---|
| ADT | Jun® | [illegible] | (145,700) | - | (6.6) |
| ATA Selection | Jun | [illegible] L | (186) | - | (1.0) |
| Baillie Gifford Shin | Jul | 80 L # | (8 L #) | - | (-) |
| Baldwin | Apr | 2,230 L | (1,740 L) | 1.4 | (1.4) |
| Barr [illegible] Wallace Arn. | Jun | 1,070 | (1,350) | 3.0 | (3.0) |
| Braime (TF&JH) | Jun | 283 | (70) | 2.25 | (1.75) |
| Brederc Properties | Jun | 1,300 L | (1,000) | - | (1.2) |
| Bridon | Jun | 100 | (7,000) | 2.5 | (2.5) |
| Cairn Energy | Jun | 1,230 L | (682 L) | - | (-) |
| Consolidated Venture | Jul | 115 † | (102 L †) | - | (-) |
| Dawsongroup | Jun | 192 L | (483 L) | - | (-) |
| Dewhirst Group | Jul | 851 | (772) | 0.29 | (0.29) |
| Edmond Holdings | Jun | [illegible] | (1,460) | 0.65 | (0.65) |
| Fairhaven Int'l. | Jun® | 8,000 | (5,610) | - | (-) |
| Fife Indmar | Jun | [illegible] | (822) | 1.0 | (1.0) |
| Friendly Hotels | Jun | [illegible] | (2,530) | 2.2 | (2.0) |
| Guardian Royal Ex. | Jun | 88,000 L | (38,000 L) | 4.4 | (4.4) |
| Irish Continental | Apr# | 1,490 L | (1,820 L) | - | (-) |
| Ladbroke Group | Jun | 98,200 | (158,200) | 4.92 | (4.88) |
| McAlpine (Alfred) | Apr | 700 | (4,900) | 4.5 | (4.5) |
| Mersey Docks | Jun | 5,460 | (4,860) | 2.0 | (1.7) |
| Monument Oil & Gas | Jun | 3,640 | (3,080) | - | (-) |
| Murray Int'l. Trust | Jun | 8,440 [illegible] | (6,790 ◆) | 7.5 | (6.84) |
| Printech Int'l. | Jun# | [illegible] | (1,390) | 0.8 | (-) |
| Scottish Investment | Apr‡ | [illegible] | (11,500) | - | (-) |
| Serco Group | Jun | 2,480 | (2,010) | 4.0 | (3.5) |
| Slough Estates | Jun | [illegible] | (32,600) | 4.4 | (4.2) |
| Strong [illegible] Fisher | Jun | [illegible] | (16,670 L) | - | (-) |
| Thai Prime Fund | Jun® | 44 L # | (39 L #) | - | (-) |
| T&N (South Africa) | Jun● | 7,100 | (3,400) | 7.5 | (3.8) |
| Torday [illegible] Carlisle | Jun | 694 L | (1,520) | 1.5 | (2.3) |
| Wace Group | Jun | [illegible] | (12,300) | 2.25 | (2.25) |
| Wassall | Jun | [illegible] | (3,000) | 1.0 | (0.8) |
| [illegible] City [illegible] | Jun | 4,570 | (5,020) | 0.77 | (0.77) |
| Williams Holdings | Jun | 78,500 | (80,500) | 5.0 | (4.75) |
| Woodchester Invest. | Jun# | [illegible] | (13,100) | 1.51 | (1.26) |
| Wyevale Garden | Jun | 2,200 | (1,600) | 2.48 | (1.12) |

(Figures in parentheses are for the corresponding period.)
*Dividends are shown net pence per share, except where otherwise indicated. L = loss. # = Figures quoted in Irish pounds & pence. [illegible] = Net loss/profits. ● = Figures quoted in South African rands [illegible] cents. ® = Figures quoted in US dollars & cents. † = Net revenue. ‡ = Figures for 9 months. ◆ = Available revenue.

**RIGHTS ISSUES**

Ladbroke Group is to raise £464m via a one-for-four rights issue at 220p.

**RESULTS DUE**

| Company | Announcement due | Dividend (p)* Last year Int. | Last year Final | This year Int. |
|---|---|---|---|---|
| **FINAL DIVIDENDS** | | | | |
| Black (Peter) Holdings | Monday | 0.77 | 2.07 | 0.77 |
| Ex-Lands | Thursday | - | - | - |
| Isotron | Tuesday | 1.05 | 2.07 | 1.28 |
| Murray Income Trust | Monday | 1.88 | 3.36 | 2.1 |
| Specialeyes | Thursday | - | - | - |
| Stonehill Holdings | Tuesday | - | - | - |
| Trevian Holdings | Wednesday | 1.45 | 1.66 | - |
| **INTERIM DIVIDENDS** | | | | |
| Addison Consultancy Group | Wednesday | - | - | - |
| AMEC | Wednesday | 3.87 | 6.28 | - |
| Astec (BSR) | Friday | 0.7 | - | - |
| ASW Holdings | Monday | 4.5 | 8.0 | - |
| BAT Industries | Wednesday | 10.7 | 10.4 | 10.8 |
| Bedford (William) | Wednesday | - | - | - |
| Blue Circle Industries | Thursday | 3.75 | 7.5 | - |
| Booker | Thursday | 7.25 | 14.0 | - |
| Bowater | Tuesday | 9.5 | 11.5 | - |
| British-Borneo Petroleum | Thursday | 8.0 | 8.0 | - |
| British Dredging | Thursday | 2.6 | 4.8 | - |
| BTR | Thursday | 7.0 | 8.75 | - |
| Burford Holdings | Thursday | 0.4 | 0.46 | - |
| Calderburn | Thursday | 2.8 | 4.9 | - |
| City & Commercial Invest Tst | Thursday | 3.93 | 5.27 | - |
| Coats Viyella | Wednesday | 3.0 | 4.0 | - |
| Cookson Group | Thursday | 3.0 | 3.0 | - |
| Courtaulds Textiles | Thursday | 4.0 | 8.4 | - |
| CRH | Wednesday | 2.0 | 4.0 | - |
| Croda International | Wednesday | 4.1 | 6.9 | - |
| Daniels (S) | Thursday | 1.25 | - | - |
| Five Arrows Chile Fund | Tuesday | - | - | - |
| Gibbs & Dandy | Friday | - | - | - |
| GT Chile Growth Fund | Tuesday | - | - | - |
| Hambro Countrywide | Tuesday | 0.05 | - | - |
| Hillsdown Holdings | Wednesday | 2.0 | 6.0 | - |
| IMI | Tuesday | 4.2 | 5.8 | - |
| Instem | Wednesday | 1.2 | 2.85 | - |
| Instrum Justitia | Tuesday | n/a | n/a | n/a |
| JMD Group | Thursday | - | - | - |
| Jourdan (Thomas) | Tuesday | 1.5 | 1.0 | - |
| Laird Group | Friday | 4.0 | 6.0 | - |
| MTM | Tuesday | 1.7 | 3.4 | - |
| Nestor-BNA | Monday | 1.15 | 2.0 | - |
| Peek | Tuesday | 1.05 | 2.35 | - |
| Pendragon | Monday | 1.8 | 3.6 | - |
| Pentos | Tuesday | 0.6 | 1.9 | - |
| Perry Group | Tuesday | 2.75 | 6.25 | - |
| Pickwick Group | Tuesday | 1.65 | 3.7 | - |
| Pittencrieff | Monday | 2.0 | 2.5 | - |
| Porvair | Thursday | 1.0 | 2.0 | - |
| Provident Financial | Thursday | 8.0 | 15.5 | - |
| Palon | Thursday | [illegible] | [illegible] | - |
| Readymix | Monday | [illegible] | [illegible] | - |
| Reckitt & Colman | Tuesday | [illegible] | [illegible] | - |
| [illegible] | [illegible] | [illegible] | [illegible] | - |
| [illegible] | [illegible] | [illegible] | [illegible] | - |
| River & Merc Geared Cap Inc | Thursday | [illegible] | [illegible] | - |
| Ropner | Thursday | [illegible] | [illegible] | - |
| Saatchi & Saatchi | Tuesday | [illegible] | [illegible] | - |
| Scholl | Friday | [illegible] | [illegible] | - |
| Sedgwick Group | Tuesday | [illegible] | [illegible] | - |
| Senior Engineering | Wednesday | [illegible] | [illegible] | - |
| Stat-Plus Group | Wednesday | [illegible] | [illegible] | - |
| Sun Alliance Group | Thursday | [illegible] | [illegible] | - |
| Taylor Woodrow | Tuesday | [illegible] | [illegible] | - |
| T&N | Wednesday | [illegible] | [illegible] | - |
| Unidare | Monday | [illegible] | [illegible] | - |
| Vinten Group | Thursday | [illegible] | [illegible] | - |
| Wilson Bowden | Thursday | [illegible] | [illegible] | - |
| Wimpey (George) | Wednesday | [illegible] | [illegible] | - |
| WSP Holdings | Tuesday | [illegible] | [illegible] | - |

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

# SIME DARBY

## A Driving Force in a Thriving Region

At the beginning of the Twentieth Century, American President Theodore Roosevelt expressed the view that 'the Mediterranean is the ocean of the past. The Atlantic is the ocean of the present, and the Pacific will be the ocean of the future'.

The future has indeed arrived.

Four countries in the Pacific Region – South Korea, Taiwan, Hong Kong and Singapore – despite being resource-poor, have breathed so much fire on the economic front that they were named the Four Little Dragons or, in economic terminology, Newly Industrialised Economies.

More recently, the three resource-rich countries of the Association of Southeast Asian Nations (ASEAN), Thailand, Indonesia and Malaysia, have been gaining increased momentum in their determined drive from farm to factory and beyond. In fact, they have already begun to be referred to as the Asean Tigers.

### Malaysia Booms with 10% GDP

Malaysia, as one of the Asean Tigers, posted a remarkable 10 per cent growth in 1990. As the Gulf crisis has shown, Malaysia's economy is probably more robust than any other in Asia. Not only is it resource-rich, but its wide-ranging programme of economic diversification has also begun to have an impact. Commodities today account for less than 29 per cent of Gross Domestic Product while, at the same time, manufacturing has expanded significantly to more than 27 per cent.

Malaysia continues to attract foreign investors because of its ample natural resources, political stability, strong infrastructure, quality of its workforce, and investment incentives, including tax holidays. The nation's leadership has also announced Vision 2020, a national endeavour to make Malaysia a fully developed country by the year 2020.

### Sime Darby Reflects the Dynamic Progress of the Region

In 1910, just about the time that President Roosevelt was making his bold prediction, Scottish adventurer William Middleton Sime and English banker Henry Darby put their minds together to form a plantations company called Sime Darby.

Today, Sime Darby is Malaysia's number one corporation, with widely diversified businesses and market capitalisation of over US$2 billion. It is also the largest multinational in Southeast Asia.

In the past two decades, the company has undergone a structural transformation, having successfully developed four other core businesses beyond plantations. These include manufacturing; heavy equipment and motor vehicle distribution; property development; and insurance. A sixth core business being expanded rapidly is oil and gas because of Malaysia's rich resources in this area.

### Regional Operations Ensure Strong Local Knowledge and Connections

Sime Darby business activities are grouped to fit the nature of its diverse operations and broad geographic markets. The Group today comprises companies in 12 countries in Europe, the United States and Asia Pacific. To support its extensive trading and manufacturing interests in Asia, the Group has regional operations in Hong Kong, the Philippines, Australia, Indonesia, Brunei, Thailand and Singapore as well as Malaysia.

Regional operations include diverse businesses, from natural resources to mass consumer products to commercial and industrial equipment and systems.

In Hong Kong, Sime Darby markets a range of motor vehicles – including BMW, Ford, Suzuki, Alfa Romeo and Mitsubishi cars – and commercial vehicles. It is also involved in heavy equipment, engineering, property, insurance, finance and shipping activities.

The Singapore operations include the marketing of BMW and Ford cars, Land Rover vehicles, heavy equipment, manufacture of packaging materials and marketing of a wide range of consumer goods, as well as property management and consumer services such as travel and car rental.

Sime Darby also manufactures Sime Darby branded tyres with BF Goodrich as the technical partner in the Philippines, and distributes Suzuki vehicles and motorcycles, manufactures furniture and assembles bicycles in Australia.

The Group has a packaging manufacturing operation and owns and manages a commercial estate in Indonesia. In Thailand, Sime Darby has a significant investment in insurance underwriting and owns and manages an insurance broking company.

Sime Darby Malaysia Region produces a wide range of high quality products for the domestic and export markets, and has agency lines in consumer products, electronic equipment, computers and engineering products. It also offers services covering travel, securities, car rental and computers.

The goal is to continue to strengthen the Group's presence in Southeast Asia and other Pacific Rim countries which offer opportunities for investment and expansion.

### Diversification Strengthens the Group

In the area of manufacturing, Sime businesses manufacture and market a broad range of automotive, earthmover and aviation tyres. This division is Malaysia's largest tyre producer and the largest exporter of tyres in Southeast Asia. The aircraft tyre division has contracts with major airlines in the region. Earthmover tyres are exported to Europe, the Middle East and Asian countries.

The automotive tyre division has invested in state-of-the-art precision equipment to make Sime's technology among the most advanced in the world. The investment and Sime's affiliation with technical partner Sumitomo Rubber Industries of Japan allow the group to produce high-performance VR and ZR speed-rated tyres for today's supercars.

The distribution of heavy equipment and motor vehicle assembly are handled by Sime Darby subsidiary, Tractors Malaysia. The heavy equipment division distributes and provides product support for the complete range of Caterpillar heavy equipment, engines and lift trucks and a comprehensive range of agricultural, road construction and quarrying equipment. The motor division assembles and distributes Ford, BMW and Land Rover vehicles as well as Scania trucks and commercial vehicles.

The company also assembles Mazda passenger cars and Suzuki 4-wheel drive vehicles under contract.

Sime UEP provides the base of the Group's property development operation. The subsidiary has developed Southeast Asia's largest township built by a single developer and is in the process of building industrial estates for modern warehousing and light industry.

Insurance services provided by the Group comprise general and life insurance, health and medical insurance, and both insurance and reinsurance broking.

Plantations traditionally provided the foundation of the Sime Darby Group. Today, the organisation has 200,000 acres of prime tropical agricultural land under

oil palm, rubber and cocoa. The Group has also moved into downstream activities, such as the refining and packaging of vegetable oils and specialty fats, and the manufacture of dipped latex products including examination gloves and condoms.

The Group has seen significant growth in its newest area of diversification, the oil and natural gas industry, through the development of exploration, design and fabrication capabilities. Major contracts for Shell, Esso and Petronas, Malaysia's national oil company, have included fabricated offshore production platforms and jackets for Malaysian oil production. Sime Darby has fabricated and delivered a jacket to the Qatar North Field Development Project in the Arabian Gulf and is in a strong position to pursue opportunities in other overseas markets.

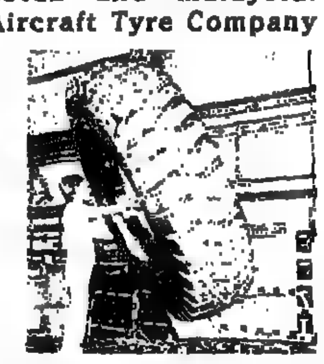
### Hands-on From Dunlop Tyres to BMWs

The Group's high standards for quality, efficiency and integrity have led to joint venture arrangements and other business affiliations with organisations in Europe and North America. Its strong connections and presence in the region, coupled with a proven track record in finance, management and marketing, make it attractive as a business partner.

A broad range of globally-recognised names have joined forces with the Group in the region. Of these, a number have

taken advantage of Sime's knowledge of the region and extensive network. In addition to BMW, Land Rover, and Ford partnerships for the assembly, distribution and product support of their vehicles, the Group designs, manufactures, markets and distributes Chubb security equipment for banks and financial institutions as well as for the commercial and household sectors. Tractors Malaysia is one of the top 10 Caterpillar dealerships in sales and customer support in the world.

In a 50-50 joint-venture with the Michelin Aircraft Tyre Corporation, the Group manufactures high quality aircraft tyres for major airlines in Singapore, Indonesia, Australia, Pakistan and Malaysia. Michelin Sime Aircraft Tyre Company was the first company in the world to retread tyres for Boeing 747-400 aircraft.



Other international business partners include Berger Paints with whom Sime has a technical agreement to manufacture and distribute paint; Rengo, Japan's leading packaging company; and the Inax Corporation of Japan which has a joint venture manufacturing arrangement with Sime Darby to produce sanitaryware exported to the buoyant markets of Japan, Singapore and Korea. A Sime Darby-Hyundai joint venture company manufactures furniture for export markets around the world.

### A Letter from the Group Chief Executive

I hope we have succeeded in giving you a tour de horizon of Asia Pacific, Malaysia and Sime Darby. We believe it is a glowing picture, because the underlying fundamentals have always been strong.

**What is the Secret of Sime Darby's Success?**

The Sime Darby Group has greatly benefited from the growth and development of the Asia Pacific region, which is not really surprising since we pride ourselves on being the Regional Multinational. That, of course, is not the only reason for the Sime Darby Group's success in recent years, and here I must give credit to the management staff for their professionalism in both planning and execution. We provide our staff with the best in terms of management training and give our executives the responsibility and the opportunity to show their worth, but we are extremely demanding in our standards and so far we have not been disappointed in the response.

I must confess we are inclined to be conservative in our management approach, and whilst some may see this as a weakness, we believe in the trustee relationship and in looking after shareholders' funds. The Sime Darby Group profits are real, genuine, cash-in-the-bank profits as reflected in our balance sheet strength. We are not about to change our ways, though we may start to become more acquisitive as value for money opportunities present themselves.

Sime Darby is a regional Group, and we would like to continue to build up our regional presence and strength still further in new business ventures with new partners who have the technology and the resources to match our demanding standards. If you have either the intention or the desire to move into this region, I cannot believe you will find a better business partner than Sime Darby.

**What is Sime Darby's Long-Term Strategy?**

Increased manufacturing is an aspiration for Malaysia and the other regional countries. In this respect, as the regional multinational, we would like to realise this aspiration but, equally importantly, we are concerned to see that any business venture we enter into is a viable long-term project.

For the future, we will also be increasing our efforts in seeking exports in overseas markets. Examples of Japan, Korea and Taiwan are there to remind us that exported growth is a powerful route to rapid economic expansion, and Malaysia has made a commitment to reach developed country standards by the year 2020.

Small countries like Malaysia can move towards achieving such a watershed for its people by specialising and developing an expertise in certain niche areas of manufacture or with certain specific products.

Just as many people have been amazed by our capacity to achieve the success we enjoy today – as a company, as a country and as a region – there will be many who will be surprised by our progress in the future. Sime Darby believes in open, free international trade which will provide the opportunity and the incentive for world peace, progress and prosperity. The way forward is clear, and I am confident that the opportunities in Asia Pacific are virtually limitless.

*Sincerely yours,*

*Tunku Ahmad Yahaya*

For further enquiries, please contact: The Communications Department, Sime Darby Berhad, Wisma Sime Darby, Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia. Telefax: 03-298 7398. Telex: SDMAL MA 30038

Diary of a Private Investor/**Kevin Goldstein-Jackson**

# The hidden costs of Taurus

"AT LAST THEY have been rumbled" I thought [illegible] I read a press report on Operation Taurus. *An investigation* [illegible] revealed that a number [illegible] beggars were using [illegible] variety [illegible] methods and "hard luck" tales to extract money from their victims.

Unfortunately, Operation Taurus was concerned with beggars on the streets of London rather than the beggars of the *Stock Exchange*, who [illegible] proposing to extract even [illegible] money from their private clients with Taurus – the supposedly "paperless" automatic share transfer system.

Earlier this month the stock exchange announced that the *introduction* of Taurus [illegible] to be delayed yet again, due [illegible] computer software problems. This [illegible] that the government's abolition of stamp duty of half [illegible] per cent [illegible] all *share* transactions will also [illegible] delayed, since this abolition was linked, *in the* [illegible] Budget, with the operation of Taurus. The exchange's delays [illegible] therefore going [illegible] prolong [illegible] unfair tax on investment.

The target launch date of Taurus is [illegible] May next year. Meanwhile, the Stock *Exchange* has embarked on a campaign to make the public aware of what Taurus has [illegible] offer. Unfortunately, that publicity is not specific as [illegible] costs to private investors.

When Taurus becomes operational, share certificates and *share transfer forms will* [illegible] longer be required. Evidence of ownership of shares will be provided by [illegible] contract note and the entry of the investor's *name, with the number of* shares held, on the share register of the company concerned.

The *stock exchange* originally claimed that the removal of share certificates and transfer forms was [illegible] way of reducing costs to brokers [illegible] the *exchange "expected"* such reduced costs [illegible] be passed [illegible] to the benefit of investors.

However, it would appear that costs have escalated [illegible] I would suspect that private investors will be paying [illegible] more for their share deals than *pre-Taurus!*

A number of brokers (including one of the two I use) have written to clients stating that if they do not put their investment under a broker's control, in a broker's nominee name, then they will [illegible] higher [illegible] – either as a result of "Taurus charges" from their brokers [illegible] *due to loss of interest* [illegible] delayed settlement.

Using a broker's nominee services presents problems, especially if a broker [illegible] into difficulties and there are disputes [illegible] to who exactly [illegible] shares held by [illegible] nominee.

There may be delays in the nominee sending [illegible] company *reports and other company* documents [illegible] investors. Indeed, one broker's nominee company admits [illegible] throwing away, unopened, much of the *company material* which arrives for investors using [illegible] nominee services. How [illegible] those *investors* judge [illegible] prospects of those companies (and protect their investment funds) without promptly receiving full company reports? Will brokers charge, *like* [illegible] *Personal* Equity Plan [illegible] hefty [illegible] just [illegible] send [illegible] company reports and other documents?

How much will brokers charge for using [illegible] services? One piece of paper (the share certificate) [illegible] via [illegible] broker will, under Taurus, be replaced by perhaps four [illegible] more pieces of paper every year, with brokers sending each client [illegible] itemised list for shares held on their behalf by the nominee company. Will these regular statements [illegible] *free* – or will an investor have to keep [illegible] specified [illegible] of money [illegible] deposit with [illegible] *broker in order* [illegible] *qualify for* [illegible] service?

Some brokers are already asking their clients for money [illegible] place on deposit in anticipa*tion of future share purchases.* With [illegible] introduction of Taurus it will [illegible] longer [illegible] possible to buy shares without paying for them in the hope that by the end of the accounting period – perhaps [illegible] from the purchase [illegible] – the price will have risen sufficiently for [illegible] to be sold at a profit, with the broker then sending a cheque for [illegible] profits without the need for [illegible] investor to pay any cash.

With Taurus, settlement will have [illegible] be [illegible] within about *three days.* [illegible] *money on* deposit with a broker it might be difficult and/or costly [illegible] ensure that payment arrives on time.

[illegible] brokers [illegible] "turn" [illegible] money left on deposit with them, or will they [illegible] the interest they receive?

[illegible] easy will [illegible] terminate the nominee's service with [illegible] broker – and will [illegible] "termination charge"?

*How quickly* [illegible] able [illegible] whether or not [illegible] acquiring, [illegible] 2 per [illegible] company [illegible] view [illegible] a takeover bid? Nominee [illegible] will become increasingly numerous on [illegible] share registers.

If [illegible] investor [illegible] to [illegible] a broker's [illegible] company and/or [illegible] special "account" administered by [illegible] broker or bank, but chooses [illegible] "company [illegible] troller", then the investor could face higher charges when [illegible] or [illegible] wishes [illegible] sell. [illegible] "company controller", shares [illegible] registered by [illegible] broker [illegible] investor's [illegible] registrar of [illegible] whose shares [illegible] bought will keep [illegible] investor informed, free, [illegible] investor's shareholding.

However, I suspect [illegible] private investors who [illegible] that option will eventually [illegible] discriminated against in much [illegible] some [illegible] brokers charge *"higher dealing spreads"* [illegible] deals in shares [illegible] by "bad marking names".

As with any [illegible] system, Taurus is likely [illegible] teething problems. [illegible] sorts of pro[illegible] being built [illegible] protect against fraud – includ[illegible] use [illegible] (personal identification numbers) [illegible] *by investors when dealing* in shares. The stock exchange will improve [illegible] compensation scheme [illegible] provide up to [illegible] per investor [illegible] cover [illegible] might [illegible] incurred [illegible] result [illegible] fraud or any financial loss suffered as [illegible] of [illegible] *broker not fulfilling* his Taurus functions properly. However, the scheme will have [illegible] fund of only £100m. [illegible] days of rising company and [illegible] fraud, such [illegible] might well prove insufficient [illegible] all losses.

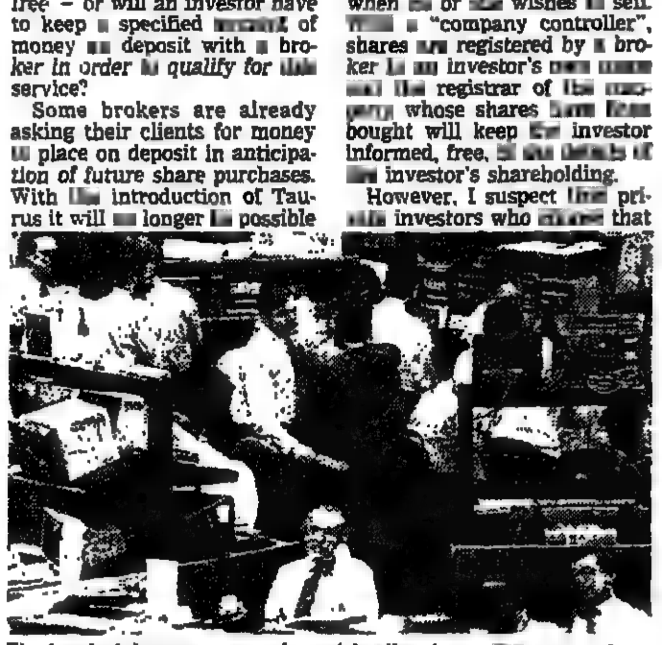
*Some brokers already* [illegible] have problems dealing with [illegible] work and inputting information into computers accurately. They [illegible] likely [illegible] have [illegible] problems if they [illegible] they can blame [illegible] on Taurus

*There needs* [illegible] compensation, along [illegible] lines of that in [illegible] government's citizen's charter where utility companies will have [illegible] pay compensation [illegible] guaranteed standards [illegible] met.

[illegible] broker [illegible] company controller [illegible] register shares [illegible] the correct [illegible] records the number of shares wrongly, or [illegible] fails [illegible] register the shares at all, it could prove [illegible] consuming and aggravating for an investor [illegible] get the broker/controller [illegible] put mat[illegible] right.

To lessen [illegible] of [illegible] errors, [illegible] to speed corrections, [illegible] should [illegible] payment of £25 plus 0.5 [illegible] *per week of* [illegible] *value of the* shares purchased or sold for every week that the error [illegible] uncorrected.

If Taurus is as foolproof as is claimed then the stock exchange should welcome such additional payments, as the *likelihood of making any* [illegible] would be minimal and [illegible] of such [illegible] scheme negligible. It will [illegible] interesting [illegible] see if the exchange is willing to put its members' money [illegible] mouth is.



Electronic takeover: paper-based trading is on [illegible] way out

Trevor Humphries

Auctioneer [illegible] Davies [illegible] Lloyd [illegible] galleries: a [illegible] 'pulls in the bargain-hunters'

# An auctioneer's happy lot

*Roy Hodson on a company that is thriving in the recession*

THE RECESSION has made Alan Davies [illegible] happy man. Hard times [illegible] bargain-hunters [illegible] the salerooms. [illegible] *Davies is proprietor and chief* auctioneer of [illegible] Lloyd [illegible] galleries in Putney, London, where everything from jewellery, furniture, mountain bikes [illegible] such [illegible] "six items of [illegible] lingerie" go under [illegible] hammer.

[illegible] *expects his turnover* [illegible] increase by [illegible] than [illegible] per cent in 1991. [illegible] says his sales [illegible] gross [illegible] £5m by the year's end, which [illegible] give [illegible] business [illegible] record [illegible] income [illegible] just under £1m. [illegible] charges sellers [illegible] commission of 12½ per cent, and buy[illegible] pay a 10 per [illegible] premium. "Better than [illegible] docks", he says [illegible] a grin.

Some 25 years ago he was one of the dwindling band of London dockers. He [illegible] bers picking up [illegible] week's fall-back [illegible] of just [illegible] pounds seven shillings and sixpence when [illegible] was no work.

Many of his sales [illegible] evidence of [illegible] *disposes of unclaimed stolen* goods for the Metropolitan Police (the proceeds [illegible] charities), goods seized by the Cus[illegible] Excise and items left by [illegible] at Heathrow Airport.

The police sales include great [illegible] radios, television sets, computers, bicycles, tennis [illegible] squash racquets, and tool kits. Cus[illegible] perfumes and new clothes. Heathrow produces big [illegible] of [illegible] bags of duty-free purchases, [illegible]

[illegible] joined [illegible] firm [illegible] driver 17 years [illegible] was allowed to work [illegible] *cataloguing sale goods* [illegible] found that his love of furniture (he [illegible] self-taught furniture restorer) helped him develop [illegible] expert [illegible] became [illegible] director, per[illegible] move [illegible] a much bigger sale[illegible] *Putney Bridge* [illegible] and, five years [illegible] bought [illegible] out.

Davies needed [illegible] to buy [illegible] He [illegible] variety [illegible] mortgaging [illegible] house, borrowing [illegible] bank, [illegible] private loans. [illegible] saleroom turnover increase threefold [illegible] £1.5m [illegible] year. Everything [illegible] paid [illegible] in [illegible]

Dowell Lloyd [illegible] become [illegible] family business. Davies's wife [illegible] office. Their [illegible] sons, Lee, 21, [illegible] Spencer, 18, both work there, as do Maureen's parents. The number of [illegible] risen [illegible] 13.

Davies has secured the future [illegible] far [illegible] with [illegible] 25-year [illegible] galleries and [illegible] freehold ownership [illegible] nearby.

[illegible] everything [illegible] to [illegible] jolly [illegible] They [illegible] the atmosphere [illegible] mystery and eli[illegible] pervade auction [illegible] in [illegible] End [illegible] London. His jewellery sales, which [illegible] of business, [illegible] Tuesday morning in [illegible] special [illegible] Many [illegible] come from pawnbrokers who [illegible] obliged by law [illegible] through [illegible] trade. Buyers turn up from [illegible] Europe and [illegible] Australians fly in [illegible] buy stock for [illegible] home market.

[illegible] real fun [illegible] on the main [illegible] where crowds drift round inspecting the [illegible] sold. [illegible] loves selling [illegible] known [illegible] put [illegible] items under [illegible] hammer himself [illegible] a *good day without getting* hoarse. "I crack [illegible] jokes and [illegible] time [illegible] quickly." [illegible]

[illegible] come and [illegible] quickly in [illegible] Putney auction galleries. [illegible] and his [illegible] will lay out the lots for [illegible] sale and cata*logue* [illegible] *just* [illegible] days. The catalogues [illegible] then printed on his desk-top publishing outfit. [illegible] viewing is permitted for [illegible] whole of the following day. The day after [illegible] held.

A punter in this sale room can forget *such sophisticated* techniques [illegible] bidding by a wink, [illegible] nod or the flick of a catalogue. Potential bidders [illegible] number cards and [illegible] *to* hold them high. With this straightforward approach [illegible] aims to shift up [illegible] 2,000 [illegible]

What [illegible] his plans for the future? He [illegible] desperately keen [illegible] higher [illegible] goods. [illegible] just [illegible] *well-attended* [illegible] End. In furniture and jewellery and [illegible] great [illegible] general items [illegible] have the expertise. I [illegible] in turn [illegible] much money [illegible] I am [illegible] for [illegible] same number of [illegible] That [illegible] ambition."

■ [illegible] *Lloyd and Co, Put*[illegible] *Auction Galleries, 118 Putney Bridge Road, London SW15 2NQ. Tel: 081-788-7777*

# The cost of bad advice

*I AM hoping you* [illegible] able [illegible] give some advice [illegible] what I should do about [illegible] financial adviser with whom I invested in 1983. In 1989 [illegible] ceased trading and [illegible] August 1990 [illegible] fined £10,000 [illegible] 16 Fimbra charges. I am still trying [illegible] get back what [illegible] of my money. I have already spent too much employing a solicitor, who advised that to sue would [illegible] difficult, [illegible] the adviser *claims his* [illegible] over-valuations [illegible] not fraudulent, and [illegible] it is hard luck for me and other [illegible] that he [illegible] wrong and happened [illegible] have made bad investments. He has divorced his wife, paying her a large sum, and [illegible] reputed to be working hard to avoid bankruptcy, so he may not be worth suing anyway.

My investment advisory agreement [illegible] so loosely worded that it committed him [illegible] using our [illegible] endeavours and the [illegible] was [illegible] per [illegible] *annum of any gains.*

He invested [illegible] in three ways: [illegible] £11,000 in four Sun-Life bonds; £1,900 on a diamond in [illegible] Jersey [illegible] £1,500 in [illegible] Florida land syndicate (which is not readily saleable). The Sun Life bonds are [illegible] and although I [illegible] the fact that I [illegible] locked in for 10 years by heavy [illegible] der penalties I [illegible] negotiating with Sun Life for [illegible] waiver. *The Florida land* [illegible] *is being* injected into a company, so that [illegible] bought and sold. [illegible] seriously, without having [illegible] formal, [illegible] costly, valuation every [illegible] he estimated the value [illegible] my diamond as [illegible] and [illegible] his *10 per cent charge on this.* When I had it valued [illegible] turned [illegible] to be worth only [illegible] with selling [illegible] likely to reduce [illegible]

[illegible] adviser [illegible] made [illegible] about [illegible] seems no way [illegible] obtaining compensation from him [illegible] *from Fimbra. I have to* [illegible] that Fimbra [illegible] not been [illegible] helpful and [illegible] refused to [illegible] me what [illegible] charges [illegible] How [illegible] I find out? Since he [illegible] trading under [illegible] Fimbra logo for [illegible] number of months, is [illegible] any way I [illegible] claim compensation from the central [illegible] or from the adviser personally [illegible] the [illegible] realised?

■ Unfortunately there does not [illegible] against Fimbra if the invest[illegible] made [illegible] still available [illegible] you. You should press Fimbra to [illegible] the charges, [illegible] necessary, enlist the [illegible] of your Member of Parliament.

## Q&A

BRIEFCASE

*[illegible] legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.*

### A question of interest

I AM A basic rate tax payer. I [illegible] recently made [illegible] and [illegible] then I [illegible] been living solely on investment income, which [illegible] likely to be about £12,000 gross for 1991-92. [illegible] will the Inland [illegible] building society [illegible] which [illegible] paid [illegible] of [illegible] (ie which has already [illegible] before I receive it)? Will they [illegible] it as [illegible] be [illegible] again, or can I safely [illegible] this [illegible] subject to [illegible] tax provided I [illegible] rate taxpayer?

■ For 1991-92 onwards, UK building society [illegible] is subject to basic rate tax – so as a basic [illegible] taxpayer, you would have [illegible] further [illegible] on it. [illegible] tax would [illegible] repayable if, for example, part or all of your personal allowance [illegible] against [illegible] UK building society interest. You may like [illegible] your [illegible] for the free pamphlet IR111 (1991) – *How to* [illegible] *a repayment of* tax on bank and building society interest.

### Expensive bed and breakfast

MY WIFE [illegible] a bed [illegible] deal involving the [illegible] purchase [illegible] shares valued at approximately [illegible] However, [illegible] will [illegible] per cent or approximately £130 – [illegible] a wholly unacceptable [illegible] *a simple* [illegible] and in. Can you tell me, please [illegible] there [illegible] necessity [illegible] the deal through a [illegible] the deal through two individuals – [illegible] unrelated – legally acceptable [illegible] the [illegible] a necessity to pay stamp duty? Presumably it is necessary to demonstrate a physical transfer of financial consideration.

■ The essential [illegible] of a [illegible] and [illegible] that there must [illegible] arrangement between the parties [illegible] day one (the day of the bed sale) that a similar parcel [illegible] will [illegible] purchased [illegible] day two. This is [illegible] achieve [illegible] stock exchange, provided that the appropriate procedure [illegible] scrupulously complied with, but if the other party [illegible] it [illegible] unlikely [illegible] a panel [illegible] general commissioners would accept [illegible] understanding on day one (the day of the [illegible] sale) [illegible] breakfast purchase would take place on day [illegible] (or later).

Either stamp duty [illegible] more likely [illegible] duty [illegible] paid.

**THE BEST RATES FOR YOUR MONEY**

| | Account | Telephone | [illegible] term | [illegible] deposit | [illegible] % | Int. paid |
|---|---|---|---|---|---|---|
| **INVESTMENT A/C's [illegible] BONDS [illegible]** | | | | | | |
| Southdown BS | SuperSaver | [illegible] | [illegible] | £1 | 11.00% | Yly |
| Nottingham BS | Capital [illegible] AC | [illegible] | [illegible] | [illegible] | [illegible] | Yly |
| | | | [illegible] | [illegible] | [illegible] | Yly |
| [illegible] Trust | 2 [illegible] | 071 626 0879 | 2 [illegible] | [illegible] | 12.01% | Yly |
| [illegible] Counties BS | 90 Day [illegible] | 0372 [illegible] | 90 Day | £20,000 | 12.15% | Yly |
| Lambeth [illegible] | 2 Yr Term [illegible] | 071 [illegible] | 2 [illegible] | [illegible] | [illegible] | Yly |
| Nationwide BS | [illegible] Bond | 0793 694 465 | 2 Year | [illegible] | [illegible] | Yly |
| **[illegible] Free)** | | | | | | |
| National Counties BS | | [illegible] | 5 Year | £3,000 | [illegible] | Yly |
| Darlington BS | | 0325 [illegible] | [illegible] Year | [illegible] | [illegible] | Yly |
| Lambeth [illegible] | | 071 [illegible] 1331 | [illegible] Year | [illegible] | [illegible] | Yly |
| Cheshunt | | 0992 [illegible] | 5 Year | £1 | 13.50% | Yly |
| **HIGH INTEREST CHEQUE A/Cs (Gross)** | | | | | | |
| Caledonian [illegible] | [illegible] | 031 [illegible] 8235 | Instant | [illegible] | [illegible] | Yly |
| UDT | Capital [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | Qly |
| Chelsea BS | [illegible] P/Acc | [illegible] | [illegible] | £10,000 | 11.20% | Yly |
| | | | | £25,000 | 11.70% | Yly |
| Northern Rock BS | Current [illegible] | 091 285 7191 | [illegible] | £25,000 | 11.16% | Mly |
| **OFFSHORE ACCOUNTS (Gross)** | | | | | | |
| Yorkshire BS Guernsey | Key [illegible] | 0481 719898 | [illegible] | [illegible] | 11.40% | Yly |
| C [illegible] Islands Ltd | Guernsey Gold | [illegible] 715422 | [illegible] | 100,000 | [illegible] | Yly |
| Bradford & Bingley Douglas | [illegible] Ind | 0624 662863 | 90 Day | £5,000 | 11.00% | Yly |
| Yorkshire BS Guernsey | Key [illegible] | 0481 719898 | [illegible] Day | £50,000 | [illegible] | Yly |
| [illegible] Channel [illegible] Ltd | Guernsey [illegible] | 0481 715422 | 12 [illegible] | £10,000 | [illegible] | [illegible] |
| **GUARANTEED INCOME BONDS [illegible]** | | | | | | |
| American Life FN | | 081 680 7153 | 1 [illegible] | [illegible] | [illegible] | Yly |
| Financial [illegible] FN | | 081 [illegible] 6000 | [illegible] Year | [illegible] | [illegible] | Yly |
| Providence Capitol FN | | 0256 [illegible] | 4 [illegible] | £25,000 | [illegible] | Yly |
| Liberty Life FN | | [illegible] 8210 | 5 Year | [illegible] | [illegible] | Yly |
| **NAT SAVINGS A/Cs & BONDS [illegible]** | | | | | | |
| | Investment [illegible] | | 1 [illegible] | £5 | [illegible] | Yly |
| | Income [illegible] | | [illegible] | £2,000 | 11.75% | [illegible] |
| 11.00% [illegible] | | | | | | |
| | Capital [illegible] E | | 5 Year | £100 | 11.50% | OM |
| **NAT SAVINGS CERTIFICATES (Tax Free)** | | | | | | |
| | [illegible] | | [illegible] Year | [illegible] | [illegible] | OM |
| | 5th [illegible] Linked | | [illegible] Year | [illegible] | [illegible] +Infln | [illegible] |
| | Childrens Bond F | | 5 Year | £25 | 11.84% | OM |

All rates (except Guaranteed Income Bonds) are shown Gross
[illegible] Gross Equivalent Rate. Fixed: Fixed Rate (All other rates are variable. OM= [illegible] paid on maturity. N= Net Rate. B= [illegible] Moneyfacts, [illegible] Monthly [illegible] to [illegible] Rates, Walsham House, Stalham, Norwich.

# New Zealand: it really is a fairway to heaven

*Alan Ponsford finds that the attractions of golf, Kiwi-style, are worth the effort of getting there*

AS THE man said, it's a long way for a game of golf.

New Zealand is a long way to go [redacted] anything from nearly everywhere. b[redacted] 1m people a year who make [redacted] journey find New Zealand [redacted] worth it: [redacted] and pleasant land full of gentle and [redacted] diose landscapes, seemingly near-empty [redacted] people and traffic – [redacted] awash [redacted] golf courses.

First-timers are happy to be led down well-worn paths to Rotorua's sulphurous [redacted] into Waitomo's glow-worm caves [redacted] over Cook Strait to the soaring panoramas of the South Island's snow-shrouded Alps, Mount Cook, [redacted] Queenstown and the deep-cut sounds [redacted] Fiordland.

The conventional circuit [redacted] an orderly introduction [redacted] this vibrant country. But superior, seasoned sixth- or seventh-timers like us, having long since been there and [redacted] that, tend to be sniffy about [redacted] predictable pursuits.

So, [redacted] shorter-than-usual trip, [redacted] modest game-plan code-named golf-with-everything. [redacted] objective [redacted] pair some of the strongest [redacted] and pastimes with plenty of cheap, uncluttered golf. We imagined ourselves on a week's stop-over in [redacted] North Island, driving [redacted] rented car (or camper-van) within [redacted] hours' radius of Auckland.

We had brought clubs (which in [redacted] or first-class [redacted] as one of your [redacted] pieces of baggage) in [redacted] knowledge [redacted] in Kiwiland, somewhat [redacted] than [redacted] UK, there [redacted] not [redacted] more than 3m inhabitants [redacted] golf [redacted]

As one club pro put it, the Kiwis are obsessed [redacted] sport; moreover, golf [redacted] especially under-populated in the balmy months of November [redacted] April, for [redacted] golf is [redacted] winter [redacted] in [redacted] it loses out [redacted] other activities.

The result is rich [redacted] for visitors, who [redacted] turn in [redacted] road, uninvited, unbooked but warmly welcomed, and usually [redacted] straight [redacted] to [redacted] first [redacted] for [redacted] typical [redacted] of about £4, plus [redacted] mite more [redacted] trundler, Kiwi parlance for [redacted] trolley.

Facilities like club houses tend to be less palatial [redacted] NZ, but [redacted] generally comfortable enough, their [redacted] holes propped up by laid-back, genial locals anxious to [redacted] hospitality by buying [redacted] shatteringly chilled beers.

Collectors of golf curiosities could assemble from [redacted] two [redacted] islands a wealth [redacted] stories to [redacted] on. They could, for example, [redacted] of the world's first round of [redacted] given day by [redacted] over to remote Chatham Island, [redacted] nudges [redacted] early [redacted] International [redacted] Line, 500 miles [redacted] of Christchurch. There, two windy nine-holers reminiscent [redacted] links catch the first [redacted] morning sun.

Or they might stake their claim [redacted] having played closest [redacted] on arguably the [redacted] southern-most [redacted] on Earth, below the [redacted] parallel, near Invercargill.

Around Rotorua, steaming thermal orifices and burping molten mud-pools will make them apprehensive of sticking [redacted] in the ground. But they [redacted] certainly [redacted] farmers' [redacted] whose [redacted] be guarded by electric [redacted] from the sheep who [redacted] on and fertilise the fairways. They might [redacted] the [redacted] that reportedly [redacted] a [redacted] drop [redacted] club-lengths [redacted] a new-born lamb.

Generally, though, [redacted] golf [redacted] predominantly scenic, not odd. [redacted] had thought of making the 3½-hour drive north to the excellent specimen at Waitangi, in the lovely Bay [redacted] Islands. It is [redacted] the preserved [redacted] of the signing in [redacted] of [redacted] treaty that [redacted] between the [redacted] Maori chiefs.

However, this hardly [redacted] with [redacted] intended southerly itinerary, so we [redacted] for [redacted] halfway house – a 1¼-hour drive up [redacted] Omaha [redacted] (named [redacted] Maori). [redacted] outing that nicely combines [redacted] sampling of countryside, tiny [redacted] sea-shores.

Among the sand-dunes a few [redacted] Aucklanders have their "baches," [redacted] homes for week-ends and holidays, and proudly nourish [redacted] flat, unpretentious but by [redacted] simple [redacted] that [redacted] lagoon skimmed by [redacted] of racing wind-surfers.

Pointed south next day with [redacted] serious, longer-distance intentions, [redacted] for the Bay [redacted] Plenty, so aptly named by Captain Cook. [redacted] by-pass the lush Coromandel peninsula, despite its fascinating relics of a colonial [redacted] mining past [redacted] the temptations [redacted] a [redacted] golf [redacted]

Along [redacted] way we stopped to see a new example of the elegant [redacted] we had previously found hidden among [redacted] distant mountains and lakes [redacted] the North islands. This [redacted] the Hotel du Vin, had obvious potential for relaxed business occasions, being less than [redacted] hour out [redacted] Auckland yet tucked into rolling hills [redacted] providing recently-built suites and conference [redacted]

We found the twin towns of Mount Maunganui and Tauranga [redacted] congenial gateway to [redacted] bountiful Bay of Plenty, whose blissful climate and beaches were still drawing lots of holiday-makers in mid-January. [redacted] it [redacted] a while to [redacted] in motels [redacted] motor inns.

Mount Maunganui [redacted] had [redacted] recommended [redacted] representative of the country's many undulating, verdant courses, and [redacted] it proved. Watered fairways, still [redacted] under a hot sun, [redacted] lined with [redacted] punctuated by the [redacted] blossoms [redacted] *pohutukawa* trees.

[redacted] some fairways a sliced three-iron would reach the pale beach, where non-playing members [redacted] the family could be parked for good swimming in clear [redacted] Off-shore there [redacted] exceptional [redacted] fishing.

[redacted] posted green fees included [redacted] rare [redacted] (£7.80) for [redacted] without evidence of membership of another club. But that [redacted] just [redacted] keep out the beach-bums, said the pro; no-one actually paid more than NZ$15.

That night [redacted] were to try [redacted] popular tourist feature, [redacted] farm stay. [redacted] briefed to call first [redacted] the tiny office of Rural Tours in [redacted] wide main [redacted] nearby Cambridge, a pretty town [redacted] the heart [redacted] territory, to [redacted] our money.

Our hosts, Ollie [redacted] Irene, greeted [redacted] with remarkable indulgence considering they normally expected [redacted] for 6pm "tea," and [redacted] by [redacted] sweaty Pommie wimps [redacted] had assumed that dinner [redacted] at 8pm. The evening turned out [redacted] and family-like [redacted] rounded off by a video viewing of their prize fillies winning [redacted] Auckland.

[redacted] skipped Rotorua. [redacted] malodorous thermal manifestations [redacted] Mauri displays [redacted] interesting [redacted] twice, but its downtown [redacted] tatty. However, [redacted] surrounding terrain – mountains, rivers, lakes – [redacted] inspiring and remains [redacted] all the way down [redacted] Lake Taupo.

This [redacted] where rainbow, brown [redacted] brook trout [redacted] fishermen's dreams [redacted] true. [redacted] off up [redacted] road [redacted] that has [redacted] acclaimed, potentially, as [redacted] world's best, though [redacted] provision [redacted] comforts. It [redacted] International, currently focus [redacted] much apprehension by [redacted] golfers because it [redacted] been bought by [redacted] Japanese. Asian [redacted] is also financing [redacted] course being designed by [redacted] Arrowtown in [redacted] South Island.

The [redacted] of good things that can be combined with the game of golf in NZ is impressive. [redacted] perhaps the most diverting is driving [redacted] under-populated highways and seeing the bougainvillea, hibiscus, lemon trees, [redacted] ferns and palm trees that remind you this is not England after all. The golf courses and green fees have [redacted]

■ Both Air New Zealand and British Airways fly from London [redacted] times a week.

There is [redacted] wealth of tours, taking in all forms of accommodation and activities. Rural Tours' Farm and Country Stays programme has 290 locations [redacted] farms and in [redacted] country places, [redacted] lakes [redacted] towns. Dinner, [redacted] and [redacted] costs [redacted] (NZ$85) [redacted] person per night. An excellent book, New Zealand Golf Courses, [redacted] all [redacted] them [redacted] diagrams.

Information: New [redacted] Tourism Office, [redacted] House, Haymarket, [redacted] SW1Y 4TQ, tel: [redacted]

# Plenty of packages

THERE ARE various specialist brochures available [redacted] who want to book a packaged golf holiday, or put their own together. [redacted] *Michael Thompson-Noel:*

■ A few [redacted] ago British Airways launched its first golf holiday programme [redacted] weekend breaks with [redacted] golf from £209 and seven-day holidays (inclusive of [redacted]) from £288. Based mainly on BA scheduled services for departures between [redacted] 1991 and Sep[redacted] 1992, [redacted] BA brochure features the Algarve, Lisbon, [redacted] del Sol, Flo[redacted], South [redacted] and Bermuda.

In [redacted] days' golf and tennis [redacted] Orlando's Grenelefe Resort start from £599.

Reservations: 0293-611311.

■ There are more than 420 golf courses in Scotland, more per head than anywhere else, [redacted] Scottish Tourist Board, which has produced [redacted] good map, *Scotland's Golf Courses*. The map is free from the STB, 23 Ravelston Terrace, Edinburgh EH4 3EU.

■ A new company, Into Africa, [redacted] organising personal and flexible golf tours of [redacted] There [redacted] itineraries [redacted] golf resorts, country houses and game lodges offering different two-week holidays: Safari Golf, based on Natal and the Eastern Trans[redacted] and Cape Golf: more [redacted] exploring Cape Town, [redacted] nearby winelands and the coastal Garden Route.

Bookings and details from Carrier Travel, tel: [redacted], or any approved [redacted] agent.

■ *Eurogolf says* it is the oldest golf holiday company in the UK, and that it offers [redacted] widest choice [redacted] destinations in France, Ireland, Portugal, Spain, the US and [redacted] It [redacted] amateur tournaments [redacted] Algarve [redacted]

Tel: [redacted]

■ Country Club Hotels, [redacted] most attractive golf-hotels, [redacted] expanded its tuition [redacted] with 43 residential instruction [redacted] eight [redacted] running until October. [redacted] of Whitbread, Country Club Hotels [redacted] sport and [redacted] for non-golfers, including squash, tennis and indoor heated swimming pools. Properties in the brochure include St Pierre Hotel, Chepstow; Forest of Ard[redacted] Hotel, near Coventry; [redacted]wood Park Hotel, [redacted] and [redacted] Priory Hotel, near Derby.

Tel: [redacted]

■ A fat [redacted] useful brochure [redacted] cheap-and-cheerful holidays is that of Sol-[redacted] Holidays, part [redacted] Meon [redacted] runs [redacted] October [redacted] Meon already [redacted] Longshot Golf programme.

Tel: [redacted]

# TRAVEL/GOLF HOLIDAYS

**UPHEAVALS in the Soviet Union and the Gulf war make 1991 the blackest year most people in the travel business can recall, *writes* [redacted] *Thompson-Noel*.**

**"1991 is the year I have forgotten," [redacted] Geoffrey [redacted] co-owner (with his [redacted]) of Abercrombie [redacted], the up-market travel company.**

**Yet life goes on. Although it has seen [redacted] tour companies perish by the wayside this year, A&K has big plans [redacted] 1992 [redacted] beyond, including golf, which slots neatly into the fastidiously-run travel operation — safaris, far-flung expeditions, luxury train rides, Nile cruises on its own boats, what have you — that Kent has put together since 1962. These days, says Kent, A&K [redacted] employees in 14 locations, handles 100,000 [redacted] and turns over about $140m.**

**Its current interest in golf is focused on [redacted] Windsor Golf [redacted] Country Club (pictured), a five-star, 130-room [redacted] about 15 minutes from [redacted] centre of Nairobi which is due to open on November 15. According to A&K's Windsor Hotels division: "The property will offer a new standard of accommodation, [redacted] and [redacted] facilities in Kenya."**

**It features an excellent 18-hole lay-out — the first to be built in east or central Africa in more than 25 years and the first [redacted] that region to offer the facilities of an international-class [redacted]. There are [redacted] tennis and squash courts, an outdoor swimming pool, club house with pro shop and resident coach, bowls, croquet, fishing and a private forest. The recently-appointed executive chef at Windsor is Richard Tonks, formerly [redacted] brothers protegé who was executive chef at the Bath Spa Hotel.**

**Windsor Hotels also runs a number of luxury tented camps and lodges in Kenya and Tanzania, and will put together itineraries that combine golf holidays with a safari trip (or vice versa) for individuals or groups.**

**These properties include Kichwa Tembo, a luxury tented camp in the Maasai Mara; Siana Springs, also in the Mara; Island Camp at Lake Baringo, north of Nairobi, in the Rift Valley; Ngorongoro Crater Lodge, Tanzania, and Mount Meru Game Lodge, Tanzania, in the shadow of Mt Kilimanjaro. A new property, Serengeti Springs, Tanzania, is due to open in December 1992.**

**■ Safari details: A&K, London, [redacted] 071-730-9600. In the UK, golf details for Windsor G&CC can be had from Unique Hotels at The Old Warehouse, Old Market, Nailsworth, Glos, GL6 0DU, tel: 0453-835801. In Kenya: Windsor Hotels International, Prudential Building, Wabera Street, PO Box 74957, Nairobi, fax: 254-2-726328.**

**David Burr of Unique Hotels says that for UK golfers, seven nights at Windsor (dinner, breakfast, one round of golf daily) will cost £750 per person, including flights. As an add-on, two nights' game-watching in the Mara would cost £200 per person.**

## Find your tees, without queues

### *Be careful of wind when playing in France, cautions Kevin Pilley*

IN HIS [redacted] search for perfection, [redacted] golfer [redacted] looking for a magic formula: an [redacted] something [redacted] will improve his [redacted] her [redacted] that clever [redacted] tip which [redacted] give greater consistency [redacted] long-iron play; that minor technical adjustment to grip that will make all the difference to putting strokes.

[redacted] bothered [redacted] provide the golfing public with specific instructions or practical [redacted] tions about how to play well on the French side of the English Channel. This is surprising, because [redacted] in [redacted] becoming increasingly, and deservedly, popular.

With unrelenting [redacted], many British golfers still [redacted] that [redacted] courses, especially their historically-precious seaside links, are the real thing and that anything else, especially anything continental, must be artificial and inferior.

Although their [redacted] may [redacted] lavish compared with some [redacted] (you can only [redacted] times of day) French courses such as Le Touquet, Hardelot and Wimereux – only 1½ hours [redacted] ferry [redacted] Dover [redacted] 15 [redacted] by aeroplane from Lydd airport in Kent – offer a test of any golfer's ability and temperament, but with a difference.

To be a good player in Britain it is vital you queue. If you cannot queue you will never get on. In France, however, queuing is not an integral part of the game. You do not need to pack a novel in your golf [redacted] to keep you occupied between shots. The [redacted] are largely empty apart from the odd four-ball from [redacted] zig-zagging across fairways and crying *"quatre."*

Although increasingly fond of building golf courses, the French have not taken to playing the game in great numbers. Golf still ranks third behind mustard-making [redacted] pastry-creating. The tees, therefore, are [redacted] to [redacted] at relatively short notice, and the [redacted] underplayed and in good [redacted] even in mid-summer.

Golf in France presents a daunting challenge for even the most [redacted]ced and patient of players. [redacted] old [redacted] at Hardelot, opened in 1931 and [redacted] by a British architect, [redacted] course laid [redacted] through a Picardy pine forest. [redacted] course is equally testing [redacted] less [redacted]. Trees [redacted] deep undergrowth [redacted] nearly [redacted] hole at Hardelot: the [redacted] balls [redacted] lose [redacted] lighter [redacted] bag becomes. Buggies (or *chariots*) [redacted] at about £20 a round. A day [redacted] costs about £30.

However, [redacted] play [redacted] you should [redacted] you understand the course's water-sprinkler system. [redacted] sprinklers at Hardelot are difficult to read. You think they are going one way so they go the other and soak you.

[redacted] golf club has numerous bunkers [redacted] much impenetrable rough, [redacted] what [redacted] both [redacted] courses [redacted] is [redacted] award-winning restaurant behind the [redacted] green of the old course from where you watch [redacted]hers scrutinising their final putts while you go to school [redacted] the [redacted] list.

An [redacted] meal [redacted] around [redacted] per head, excluding wine. [redacted] Manoir Hotel opposite the [redacted] links course down the coast at Le [redacted] is [redacted] equally delightful place to eat as well as stay, but [redacted] – be [redacted] much you eat.

Too many times golfers new to France have come to grief [redacted] over-indulgent lunch. You have [redacted] into account wind when playing [redacted] like [redacted] Touquet, while [redacted] *filet* [redacted] Manoir can [redacted] havoc [redacted] weight transference.

The charm of a golfing break in France is the bliss of its fixed menus, the beauty and uncrowdedness of its courses and the unsnottiness of its clubs, which have casual rather [redacted] strict [redacted] and not only [redacted] but [redacted] white socks in the players' bar. Four-balls from Essex are welcomed.

The courses are not long. Wimereux, a flat, rugged links four miles north of Boulogne, [redacted] 6,150 metres off the *blanc* tees. Hardelot Ancien [redacted] only 5,870m, which includes [redacted] par 5's and five par 3's. There are few blind shots and pin positions are inviting, mainly because there are so few people on the course and less chance of those in front of you forgetting to put the flag [redacted] once they have finished.

To play well [redacted] golf in France you must eat sensibly and drive straight. Perhaps [redacted] is why the French themselves do not seem to like playing.

■ Kevin Pilley's trip was organised by French [redacted] Holidays, which offers [redacted] (ferry, hotel, tee times) [redacted] French courses. Guide [redacted] £130-£250 for [redacted] nights. [redacted]: PO [redacted] 835, Brentwood, Essex CM13 3QQ, [redacted] 0277-811082.

## States of bliss — for a price

THE FIRST golf [redacted] I played on in America wasn't in America, [redacted] in Bermuda. I was [redacted] my way home after working in the US for a year. The day after arriving I tackled Belmont Harbour [redacted] course. I [redacted] clubs, a bag, balls and, regrettably, a quick hook. What I didn't have was a pair of shoes. "They'll do," I said, after trying on a snazzy black-and-white pair. "That'll [redacted] $54," I was told. I gulped.

If golf in America is a pain in the wallet, it [redacted] a pleasure in [redacted] other way. In the US, everything is bigger from tees to fees, drinks to divots. [redacted], my home club in Britain, is laid out on 80 acres. In the US there are clubs with practice grounds that size.

Inside the massive [redacted] are lavish [redacted] half-a-dozen [redacted] of deodorant, [redacted] cream, after-shave, combs, hair [redacted]. [redacted] Medinah you [redacted] given paper slippers to walk to and from the showers. It is a primitive locker room that does not have a [redacted] shoe-shine man. Nearby will be a grill room, several bars, a man to park the car as you arrive at [redacted] clubhouse, [redacted] unload [redacted] and a third to clean them for you.

So much for the inside of American [redacted]. The outside [redacted] aren't too shabby either, with metal [redacted] filled with clean, white balls on the driving range, a putting green, a chipping [redacted] several practice bunkers.

Though [redacted] can take forever to complete a round of golf in the US because everyone holes out everything, playing golf [redacted] a particular appeal at present. In [redacted] 1950s and '60s, it was unheard of for Europeans to travel to the US for golf. It was too far and too expensive. In the '70s, the places to play were Spain and Portugal. But now that Spanish green fees are exorbi[redacted] and the [redacted] crowded, it is time to go west.

It is easy to get to the US. You get on a plane, fly for a few hours and when you get off you find that the locals are pleased to see you. I have three favourite golfing areas in the US: Florida, the [redacted] and [redacted] resorts, [redacted] Mon[redacted] of San Fran[redacted].

Florida first. There were 1,000 courses in Florida at the last count and the sun shines on them [redacted] days of the year. You will like Florida if you like water hazards. As the highest point in the sunshine state is only a few feet above sea level, water is found every time earth is dug to create a bunker. Thus the equation: every 10 bunkers equal a man-made lake.

Lake Nona near Orlando is a project developed by Sunleys, the builders. Its appeal was that it didn't overpower [redacted] David Leadbetter, the [redacted] teacher, [redacted] based at Lake Nona.

The courses of Myrtle Beach in south Carolina, Amelia Island, Hilton Head island and, better still, the splendid [redacted] courses just off Hilton Head, offer all the comforts of traditional American golf with the occasional blast of Atlantic spume from the odd seaward hole. From the Florida Keys to Norfolk, Virginia, these [redacted] courses and [redacted] stretch like a necklace. My favourite area, though, [redacted] California's Monterey Peninsula, and my favourite [redacted] is Cypress Point.

Golf in the US [redacted] blance to golf in Britain. From the moment you announce yourself to the security people at the main [redacted] cosseted [redacted] every turn. It [redacted] unashamedly [redacted]. You [redacted] see many blacks, nor [redacted] impoverished, nor women. Greens will be undulating and so fast you might be afraid to take your putter back on a downhill putt. You may be forced to rent a golf cart. My advice is to lie back and enjoy it.

■ Bermuda Tourism: 1 Battersea Church Road, London SW13 3LY, tel: 071-734-8813, fax: 071-352-6501. Florida Division of Tourism, Dept U-GW91, First Floor, 18-24 Westbourne Grove, London W2 5RH.

***John Hopkins***

HOW TO SPEND IT

# The designer label goes domestic

*Lucia van der Post reports [redacted] new ventures from Mulberry and Ralph Lauren — dream home furnishings for the nineties woman*

ACCOR[redacted] the pundits who purport to be experts in such things spending habits are changing. Whereas eighties woman spent [redacted] is lightly referred to as her "discretionary income" [redacted] new designer jacket or some Manolo Blahnik shoes, nineties woman buys a sofa (or new curtains, or a conservatory . . . you get the drift).

Lovely soft, family-orientated nineties woman has, it [redacted] been looking for [redacted] places [redacted] take her [redacted] ary income". It is true that there is Laura Ashley and The Conran Shop, there is [redacted] and Habitat, but lovely though they all are this still left a certain sort of woman, the [redacted] who had the pen[redacted] for designer jackets, searching for the furnishing props that would provide a fitting setting for the jacket — the [redacted] equivalent, if [redacted] like, of the [redacted] label.

Harvey Nichols, long one of London's most fashionable stores, saw [redacted] gap and decided [redacted] fill it with two sophisticated big-name home collections. Today it launches the Mulberry "At Home" collection and from October 14 [redacted] on this side of the Atlantic will at last [redacted] buy [redacted] props that make up [redacted] Ralph Lauren Home Collection.

But [redacted] Mulberry, which starts off today with its first big foray into [redacted] domestic interior. Mulberry already has a large and faithful constitu[redacted] of those who love [redacted] recognise its handsome bags, its sturdy [redacted] buttoned [redacted] tweeds, polo shirts and [redacted] cotton jackets. [redacted]ed by Roger [redacted] in 1971 with a [redacted] birthday present from his parents, [redacted] are [redacted] Mulberry shops round [redacted] world, all [redacted] them offering natural [redacted] for [redacted] collection of traditional English furniture and furnish[redacted] make up [redacted] Mulberry "At Home" collection.

Mulberry [redacted] always been about much, much [redacted] than [redacted] collection of individual prod[redacted]. Few companies have as strong [redacted] or home [redacted] successfully on such [redacted] potent [redacted] — "presenting [redacted] clothing and accessories [redacted] way [redacted] thought was right," says Roger Saul, "has meant [redacted] by necessity we've really always been in the decorating business as well. Customers were always coming to us and wanting to buy some of the props so we've almost been [redacted] providing them with more of the things [redacted] would like to buy." In other words, those who like the clothes are almost certain to like the "At Home" collection.

The inspiration for most of it comes from all the best-loved pieces in Roger and his wife Monty's own manor house — champagne glasses are based on one of his 17th century French jelly glasses, one of the fabrics echoes a piece of fabric found behind some panelling, the cutlery came from a lovely old pistol-handled knife with acanthus scrolling and so on.

The result is an eclectic collection ranging through the gamut of English taste from baronial and Tudor to Victorian and early 20th century. There are Knole sofas and pine desks, rounded goblets and wallpapers and fabrics developed from archive designs. There are Lloyd loom pieces and turned wooden candlesticks, upholstered campaign chairs and soft paisley throws. There is twisted Withy (willow) furniture from Somerset, [redacted] handle and odd pieces of furniture that Saul just happens to like.

He has not aimed to provide his customer [redacted] one-stop package and does not envisage that [redacted] will come in to buy a complete "look" — "I think our [redacted] has [redacted] lot [redacted] personal confidence in his own [redacted] of style and that he will pick up those pieces that [redacted] for him."

Quality is clearly [redacted]llent and some 90 per [redacted] of the range is made in Britain. Prices strike me as being at the high end — for example [redacted] — but then they [redacted] properly sprung, have horsehair wadding and are made on a beech frame in the traditional way.

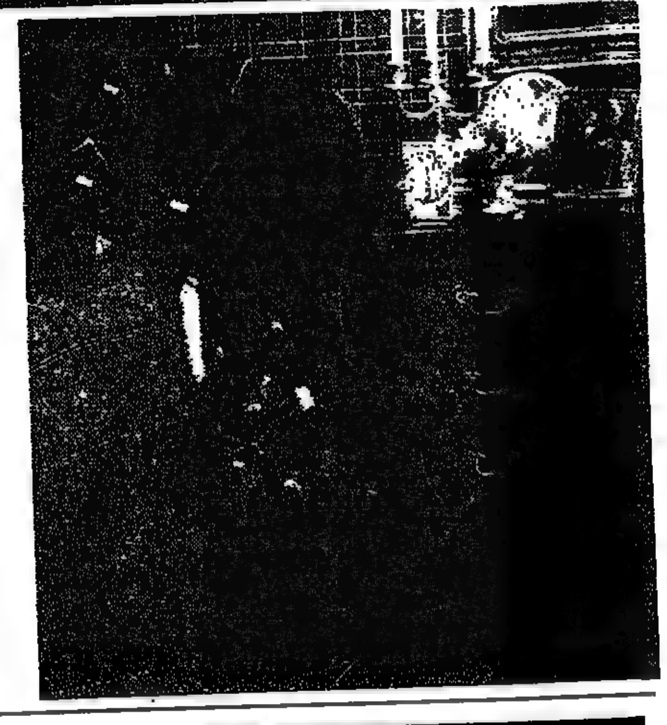
I [redacted] not think that everybody will [redacted] all of it [redacted] almost everybody is bound to like [redacted] of it — the paisley throws in soft, gentle [redacted] with tartan borders could [redacted] straight from a [redacted] they sell for just [redacted] and [redacted] beautiful. The [redacted] glass will appeal to those who [redacted] rummaging round antique shops but [redacted] quite have the [redacted] inely old-fashioned, gentle, aged look.

Ralph [redacted] probably [redacted] potent and recognisable international image of all. Anybody who has ever visited the home department in [redacted] Rhinelander mansion [redacted] York's Manhattan will know that Ralph Lauren [redacted]try is *special* country. Here in a timeless world [redacted] silver [redacted] shines, the furniture [redacted] old and polished, [redacted] fresh [redacted] and [redacted] the [redacted] blond [redacted] beautiful children [redacted] handsome men and women [redacted] gant, leisured [redacted]

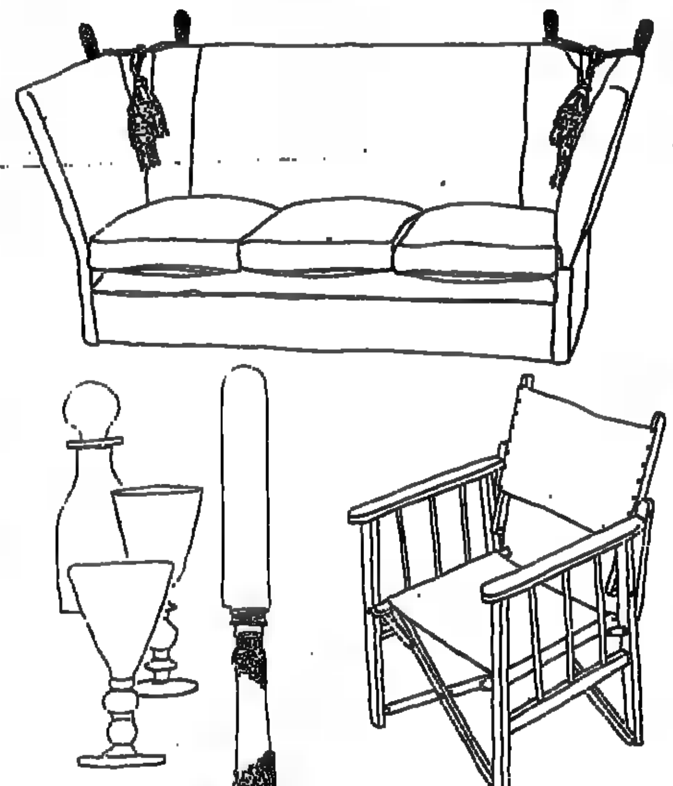
All [redacted] have [redacted] seduced by [redacted] images [redacted] from October 14, buy [redacted] match. If the fresh washed look of [redacted] England [redacted] you [redacted] then go [redacted] the crisp checks [redacted] stripes, freshly-coloured, and the simple wrought-iron [redacted] and you could dream that you are there on Cape Cod. Or [redacted] you feel [redacted] at home with Scottish baro[redacted]? Go, then, for glowing rich [redacted] tartans, soft paisleys, old [redacted]ther, cashmere. Then [redacted] is Tuscany — all soft, antiqued [redacted] of old frescoes, faded floral patterns, silk damasks and natural linens.

Ralph Lauren bedrooms are a special world — sumptuously inviting, they specialise in pattern piled on pattern, pillows plumped up and freshly laundered. They come deep and darkly mysterious or fresh, flowered and trimmed with lace. The much-coveted clas[redacted], like [redacted] plain chambray sheets, [redacted] crisp [redacted] and whites, [redacted] stripes and checks, [redacted] beguiling [redacted] plain linens will be there, [redacted]

For [redacted] don't [redacted] whole rooms or [redacted] to do there will be lots of small and inviting things to buy — tartan-padded [redacted], packs [redacted] pot-pourri, candles, Christmas spices, towels, pillowcases, all with [redacted] potent Ralph Lauren magic. It [redacted] like [redacted] tempting autumn [redacted] Harvey Nichols way.



Ralph Lauren style: photographed above is a collection of furniture from [redacted] Peel range, just one of the many moods on offer [redacted] new Ralph [redacted] Home Collection department opening in Harvey Nichols on October 14. Shown [redacted] in an architect's loft [redacted] sofa, ([redacted],500 including the canvas seat cushions) and [redacted] Tuxedo [redacted], (£1,400, including [redacted] cushions). Extra cushions, in basketweave wicker cotton and herringbone wicker cotton, are £95 and £150, depending on size. The sunbleached cotton throw (these [redacted] big this autumn) is £65. Photographed right are pieces from the tartan collection: the Devonshire wing chair in Black Watch tartan is [redacted] mahogany dresse[redacted]s £6,000, the [redacted] Though the [redacted] pieces in the tartan collection are highly-priced the small things — coat hangers, tablecloths, napkins, plates — are more accessible.



The Mulberry "At Home" collection features an eclectic selection of furniture and glass, fabrics and wallpapers, silver and accessories mostly inspired by pieces from the Somerset home of Mulberry's owners, Roger and Monty Saul. Photographed above are two pieces of furniture made from natural grey willow — the chair is £495, the balloon basket (very like a hot air balloon basket) is £275. Sketched top right is the Knole sofa, based on a very traditional design and finished with the proper braids. The two-seater version starts at £2,900, the three-seater at £3,500. It can be covered in one of the gentle linen union fabrics or in chenille. Sketched bottom near right is a range of Mulberry glass — the Bristol blue glass decanter comes in three sizes (water, whisky, port) and prices range from £155 to £195 while the glasses range from £19.50 to £29.50. The acanthus-scrolled pistol-handled knife in silver plate is £27.50 (also available in solid silver at £95.) Sketched far right is [redacted] director's chair which comes with printed linen union or chenille fabric, £195 and £225.

Cookery/**Philippa Davenport**

# Vegetarian? Stuff the vegetables . . .

THERE [redacted] time when both home cooks and chefs felt flustered if asked [redacted] cater for vegetarians, and almost inevitably they produced [redacted] omelette. [redacted] with [redacted] vegetarians must have been.

Now cooking for vegetarians seems more pleasing than daunting. The meatless dishes that spring to mind are [redacted] richly varied. It [redacted] almost more difficult [redacted] decide on which dish [redacted] cook for vegetarians than [redacted] meat-eaters.

This is probably the best time [redacted] year for cooking stuffed vegetables as so many of the candidate ingredients [redacted] in their prime. Another factor [redacted] their favour is that they look [redacted] appetising [redacted] they taste. [redacted] diehard carnivores will tuck in with delighted greed, unaware that they are enjoying a meal without meat unless someone points it out.

I am particularly fond of red peppers, as [redacted]trous as Chinese lacquer, roasted with a stuffing of fennel, tomatoes and garlic. I am also fond of aubergines richly filled with toasted pinenuts, sesame seeds, couscous, cinnamon and cumin; and [redacted] tomatoes cupped around [redacted] turned green with lashings of pesto.

More delicately flavoured favourites include courgettes baked with a mixture of soft cheese, [redacted] fresh herbs, Par[redacted] and breadcrumbs mounded into their boat-like hollows; and a lovely dish of globe artichokes I [redacted] this summer from Alfonso Imperato of [redacted] Hotel [redacted] in Maiori.

The artichokes [redacted] trimmed [redacted] leaf tips, inner [redacted] lilac-tinted immature leaves, and chokes. [redacted] cavities [redacted] stuffed with [redacted] mixture of lemon, thyme, [redacted]ley, garlic and breadcrumbs bound with beaten egg, and the vegetables were cooked in a pan with [redacted] peeled artichoke stalks and potatoes [redacted] in [redacted] them, [redacted] and a good splash [redacted] of lemon juice and olive oil. When they were tender most of [redacted] liquid [redacted] driv[redacted] leaving a little fragrant gravy.

Now is the high season [redacted] homegrown peas and beans. Peas past [redacted] first flush of youth benefit from stewing gently with button onions, shredded lettuce, diced cucumber, butter or olive [redacted] and [redacted]sonings. I [redacted] to stir [redacted] mixture into [redacted] soupily [redacted] risotto for a Parmesan-less variation on *risi e bisi*.

Runner beans that are [redacted]ing on old age pensioner status can be deliciously redeemed by stewing in the Turkish manner with tomatoes, onions and garlic. Runner beans that [redacted] still juvenile sprinters make a quick and easy treat if cut [redacted] short lengths, steamed and served with a hot nut oil and [redacted] dressing plus a handful [redacted] fried [redacted]ls. Serve them with bread [redacted] up [redacted] bed them on [redacted]cous, wild rice [redacted] quinoa with [redacted] and a [redacted] nasturtium or marigold petals.

Young broad beans [redacted] exquisite but their youth is [redacted] crucial. The jade green flesh of [redacted]ly specimens is mealy and good; to enjoy it peel away the beans' leathery jerkins as well as their pods. Broad beans are one of the few vegetables that

freeze really well. Dried broad [redacted] are [redacted] excellent, but where [redacted] you buy them [redacted] I [redacted] not [redacted] able [redacted] find any for ages.

I am especially partial [redacted] broad bean soups. The one given below is satisfyingly thick and peasanty, not the sort of thing [redacted] a refined dinner party menu but [redacted] splendid choice for, say, Sunday supper with good bread, [redacted] and fresh fruit [redacted] follow.

My second recipe is also for robust appetites, a rustic fruit tart made with a [redacted] not pastry. I include it here [redacted] I have noticed [redacted] just as carnivores [redacted] meat, so vegetarians love puddings. I have yet to meet one who does not [redacted] tooth.

**BROAD BEAN SOUP WITH CORIANDER**

*(serves 5-6)*

I have written this [redacted] for [redacted] so [redacted] soup [redacted] conjured up in the twinkling of [redacted] eye but it [redacted] made with fresh ones. If they are elderly beans slip them out of their skins as well [redacted] their pods [redacted] allow longer cooking time. Very young beans can be sliced complete with their pods:

**a potato weighing about 6 oz; 1 lb frozen broad beans; 2 garlic cloves; 2 tablespoons olive oil; 3-4 tablespoons chopped coriander leaves.**

Peel and dice the potato, crush [redacted] garlic with 1 teaspoon [redacted] salt and simmer in 1 pt water in a covered pan until nearly tender. Add the beans and complete cooking.

Remove half [redacted] with a slotted spoon. Whizz the remaining contents of the pan together with the olive oil to make a thick puree. Stir in the coriander. Dilute with a generous ¾pt water, [redacted] more [redacted] give [redacted] consistency you like.

Return the soup to the pan, add the reserved whole [redacted] and check seasoning [redacted] serving.

**RUSTIC PLUM TART**

*(serves 8 or more)*

This recipe celebrates the [redacted] that after two poor [redacted] 1991 is the year of the plum. It is brilliant made with greengages (also lovely with apricots) and I am sure it will be good with purple plums — although I might [redacted] tempted [redacted] to replace the flavourings [redacted] lemon [redacted] with orange [redacted] vanilla sugar with cinnamon. It makes all [redacted] part bake the bread [redacted] adding the fruit, an idea I have copied gratefully from Lynda Brown's [redacted] on pizza-making.

**Approximately 1¼ lb greengages; ½ [redacted] melted butter; [redacted] tablespoons vanilla sugar. For the dough: ½ lb strong white bread flour, preferably stone ground; half a packet of Harvest Gold easy-blend yeast; 1½ teaspoons vanilla sugar; the finely grated [redacted] a lemon; ¼ pt milk warmed with 1 oz melted butter.**

Mix and knead [redacted] dough in[redacted]di[redacted] until smooth. Cover and leave to double in size — a slow rise in a cool place is best.

Knock back the dough and roll it out [redacted] pat it into shape to line the base and sides of a buttered 12-inch flan tin or pizza pan. Prove for 30 minutes then bake for 7 minutes in an oven heated to [redacted] (250°C) gas mark 9/10.

Quickly cover the [redacted] base with the halved and stoned plums, packing them quite [redacted] and arranging them cut side up. Drizzle the melted butter over them and sprinkle with the vanilla [redacted] Bake [redacted] 5 minutes, then turn the heat down to 400°F (200°C) gas mark 6 and bake for 8-10 minutes [redacted] more. Serve warm or cold, without cream.

## FOOD & DRINK

# An Australian clobberer

[illegible] an optical illusion or [illegible] the entire wine-drinking population of Britain [illegible] in love with Australian Chardonnay?

[illegible] still, admittedly, the [illegible] still immune to the [illegible] charms of Burgundy's most famous grape [illegible] *la façon de* Barossa, etc. They tend to be [illegible] boardrooms where [illegible] bottle from Burgundy is [illegible] to convey the proper [illegible] of respect and [illegible] in the white wine [illegible] ent, or in restaurants [illegible] wine lists perpetuate [illegible] that wine has to be French and expensive.

In real life, Australian Chardonnay with its clobbering [illegible] fruit, dazzling [illegible] cleanliness and [illegible] to the under-£5 price [illegible] to be just what British wine drinkers want.

In May alone, twice as much Australian wine was shipped to the UK as in the whole of 1985. Sixty per cent of it was white, much of it Chardonnay. The chattering classes have been *walloping it down*. Baby boomers seem to drink little else [illegible] it can even be found, for heaven's sake, in the bar of London club where "strewth" might still be mistaken for "forsooth".

Like many things that are popular, however, the experts have their doubts. True wine connoisseurs have rarely chosen the Chard for a special occasion *it is* because it has basically come in just one flavour: big, brassy and going nowhere but downhill. (French white may be [illegible] and mean *but it does provide* [illegible] speculation as to its evolution; *if it does not please, it tries to* tell you it is your fault for broaching it too soon.)

But in recent months a new wave of superior, almost subtle Chardonnay has reached British shores. Far from being exhausted by the *journey*, the wines listed in the box below, from the super-successful 1990 vintage, combine the usual ultra-hygienic fruitiness with the sort of vibrant acidity and tantalising hints at potential for growth associated with good white burgundy. They may be more than a fiver but their Californian equivalents would cost up to half as much again, their Burgundian counterparts at least double.

Curiously, it is only the British who have taken so enthusiastically to Australian wine. *The Scandinavians may have had* it thrust upon them by force of economic pressure, but in the US, where imports are less than half the UK's, wine from *Australia has had difficulty* steering a course through that alcophobic country's complex distribution system. And Americans have enough home-grown *Chardonnay anyway*.

The Germans drink [illegible] nearly as much as the British but most of it is cheaper stuff imported in bulk, whereas the average retail price of a bottle of Australian wine in the UK is *very respectably close* to £5. We must respect it as well as love it.

It may well be this relatively high price level that explains one *of the great conundrums of* present-day Britain: that although in many circles Australian Chardonnay seems to be just about the only wine that is being drunk, Australia still accounts for little more than 3 per cent of Britain's total wine sales. Perhaps it is an optical illusion after all.

**Jancis Robinson**

### Australia's 1990 Chardonnays

[illegible] **Wirra McLaren Vale,** £4.99 Oddbins. Lovely green-[illegible] flavours for the money. Quite alcoholic (13.5 per cent) [illegible] the acid is enough to keep it appetising even at room temperature.

[illegible]**nus Molle,** £6.49 Oddbins, *also from* Haughton Fine Wines of Cheshire. Bought-in fruit vinified at Dromana [illegible] (see below) and displays some of the same delicacy [illegible] *grand vin*.

[illegible] *Clare Estate*, [illegible] *Oddbins. This and its* [illegible] mates from Eden Valley (£5.99) and Padthaway (£7.99) finally prove that Penfolds can make great whites too. [illegible] hint of the confected tropical fruit flavours that *pall* after a while. Sprightly and very refreshing. The Padthaway is worth the extra pound for the confident way it betrays its cool provenance.

**Dromana** [illegible] **Victoria,** [illegible] *Oddbins, also from Haughton*. A bottle of the 1988 [illegible] recently suggested that this is well worth keeping a while. Clearly [illegible] stuff, it seems designed for Francophiles.

**Shaw and Smith Adelaide Hills,** around [illegible] Adnams, *Barnes Wine Shop, Bibendum*, [illegible] Ellis, [illegible] Elliott and Lay & Wheeler Made by Flying Winemaker Martin Shaw and Master of Wine Michael Hill-Smith this is bigger and brighter than most.

**Dalwhinnie,** £10.95 Barnes Wine Shop, London SW13. Wonderfully gentle oaking on steely, embryonic fruit. A star.

One of London's [illegible] Salim Khoury at the American Bar of the Savoy Hotel

Ashley Ashwood

# Called to the bar

LAST YEAR saw the closure of an institution unique in London's West End: Jules' Bar in Jermyn Street. It fell victim to the leaseholders' desire to redevelop the site, occupied not only by Jules' but *also by a couple of good* [illegible] shops.

Jules' was a controversial place: some people loved it, others hated it. It had a rather continental style: a comfortable place where you could [illegible] or business contacts over a glass of champagne, a whisky or a well-[illegible] cocktail which, at the same time, was not part of a *restaurant*, an hotel or multi-[illegible] conference centre.

I was personally saddened by its disappearance. Over the years I had got used to this quirky outpost of the *Forte* empire and I [illegible] to finding my friends there.

In the past couple of decades London pubs have taken a turn for the worse: Space Invaders, one-armed bandits, loud pop-music and the all-pervading sour smell of beer from the damp carpet. Added to that is a lack of [illegible] for anyone not looking for beer. Wines by the glass are in most cases a joke, champagne unheard-of, spirit measures microscopic.

A solution in [illegible] other European cities is the hotel bar. Dublin is a case in point: on a Friday evening anyone who is anyone is to be found *some time between 8 and 9* in the [illegible] bar of the Shelbourne Hotel. In Berlin there is the Times Bar in the Savoy. In Paris, hotel bars have long been the haunts of politicians and journalists who prefer the discretion of the [illegible] or the Ritz to the "café-formica" of the boulevards.

To be welcoming to non-residents an hotel bar must possess atmosphere. *No good* hotel bar may challenge the customer's right to ask for decent champagne by the glass. Ability to make cocktails is an advantage but not a neccessity.

It helps if the barman has an [illegible] manner and knows how to *share* a joke with a solitary drinker.

Below I have listed a few hotel bars which have appealed to me. Remember that drink prices *in London hotels are far* from cheap and you pay for the privilege of drinking in a relaxed and civilised atmosphere.

■ [illegible] Street Hotel, [illegible] Street, SW3. Tel: 071-581-3693.

This is above all a pleasant old hotel with original fixtures. The bar upstairs has an intimate feeling which should make it ideal for an assignation.

■ [illegible] Hotel, 33 Roland Gardens, SW7. Tel: 071-370-0442.

Here the downstairs bar abuts on to the restaurant, meaning that *many of the* drinkers are waiting for tables. It is decorated in slinky black. Bar snacks are regularly replenished. Good champagne by the glass.

■ Claridges, Brook Street, W1. *Tel:* [illegible]

Claridges is London's grandest hotel and for that reason many people are too intimidated to use its public facilities such as the tea-room and bar. The style here is pretty *formal*. It is not the place to unwind after a long day.

■ The Halcyon, 81 Holland Park W11. Tel: 071-727-7288.

A cosy bar frequented largely by local people. The *barman* [illegible] *a good* line in jokes and the dry Martini was deemed excellent by a colleague who prides himself on being a judge of cocktails. A good selection of spirits and [illegible] inventive bar snacks [illegible] prepared in the kitchens of the King-[illegible] restaurant next door.

■ The Halkin Hotel, 5 Halkin Street, SW1. Tel *071-333-1000*. Small, luxury hotel on the site of a former garage just off Hyde Park Corner. No bar as such. Drinks are brought to you in an [illegible] of the foyer. Refined atmosphere and [illegible] Italian *decoration*.

■ Mayfair Intercontinental Hotel, Stratton Street W1. Tel: 071-629-7777. I have always found that the bar here suffers from excessive patronage by American residents, but I admit I have *only* been to the Mayfair at weekends. Good champagnes and cognacs. Extremely friendly bar staff.

■ Le Meridien, Piccadilly, W1. Tel: 071-734-8000.

The trick at the Meridien is to prefer the Burlington Bar downstairs to the rather anonymous Edwardian space upstairs. An American woman *plays* songs by Cole Porter and [illegible]. The Irish bar staff are pleasant and helpful.

■ The Pelham, 15 Cromwell Place, SW7. Tel: [illegible]

This is a delightful small hotel near South Kensington Underground station. The bar is in a panelled room on the ground floor and a fire blazes during winter. This is an excellent meeting place. No problem about champagne by the glass.

■ [illegible] Inter-Continental [illegible] 22 *Portman Square*, W1. Tel: [illegible]

The bar of the Portman calls itself a pub, but it is a pub of the old school with extremely [illegible] bar staff and a broad selection of malt whiskies. Bar snacks are constantly replenished. The Portman Pub is yet another plus point for this hotel which boasts an excellent restaurant in Truffles.

■ The Savoy, Strand WC2. Tel: 071-836-6040.

The American Bar at the Savoy is probably the best known hotel bar in London and deservedly so. The bar is in some ways a model for what hotel bars should be. The atmosphere is good (although it can be difficult to get a seat), the cocktails excellent; the potato *crisps are made on the premises*. The Savoy is in a wonderful position should you need to [illegible].

■ The Waldorf, Aldwych, WC2. Tel: [illegible]

An alternative to the Savoy when the American Bar gets too busy, the Waldorf offers a number of solutions but the best place to drink is unquestionably the "pub" at the back of the hotel.

**Giles MacDonogh**

## Sport: Golf and American Football

# Amateurs with ability to shock

THE WALKER Cup may not be the three-ringed circus that the Ryder Cup has become, but there is always a pleasure in watching high-quality amateur golf with its amiable, country fair atmosphere.

To be honest, I would rather attend the Walker Cup than watch yet another *tedious professional event*. There is an edge to the 33rd Walker Cup match to be held on Thursday and Friday next week at Portmarnock, outside Dublin.

The venue alone, one of Ireland's greatest links courses, is worth the price of admission. More significant is the fact that Britain and *Ireland* are defending the cup after a stunning and surprising victory in Atlanta, Georgia, two years ago.

No-one who was at Peachtree golf club can have forgotten the [illegible] surrounding the first victory in the US by an Anglo-Irish team since the cup was presented in the 1920s by George *Walker of the US Golf Association* – an uncle of George Bush's. It was unbearably hot and unbearably tense.

Midway through the second afternoon's singles Michael Bonallack, secretary of the Royal & Ancient golf club, was to be seen standing in front of a *scoreboard muttering to himself. He* bore the look of a man who had just seen a ghost. As P G Wodehouse wrote of someone else: "If he wasn't disgruntled, then he was far from gruntled."

Men in white coats might have been summoned to take away the far from gruntled Bonallack but for the fact that he had every reason to look as he did. The British and Irish team had begun with a five-point lead and [illegible] needed only 1½ points from the eight singles for an historic victory.

At this moment, however, they were in desperate straits. The scoreboard at which Bonallack was staring so dolefully *showed* that the the Americans led or were level in every match. From being within a whisker of defeat, the Americans seemed to have pulled off a miraculous recovery. It seemed an age *before* Bonallack was roused *from* his [illegible] and walked off, shaking his head as if the [illegible] had come [illegible].

But this was not to be one of those great collapses that are woven into the *tapestry of* [illegible] *sporting endeavours*. Jim Milligan recovered from being two down with three holes to play to halve the most exciting match I have ever seen. This half-point was sufficient to give Britain and Ireland a narrow victory, one that was celebrated in song and drink that evening.

One man dominates the forthcoming match. Last January, when he was only 20, Phil Mickelson won a *tournament* on the US professional circuit, only the second amateur for 35 years to do such a thing. Then he finished leading amateur in both the US Masters and US Open. Cheery-faced, long-legged and precociously talented, with a loping *stride not unlike Groucho Marx's*, he will turn pro when he has completed his psychology studies at Arizona State University. On all the evidence he will set the game alight.

He is a left-hander with a long swing and a wonderful, nerveless touch around the green. It took a [illegible] 8 ft putt to halve his match in 1989 and the Americans will expect more of the same from their [illegible] anchorman.

*Jim Payne, from Lincolnshire, is* beginning to cast a long shadow over the amateur scene on the British side of the Atlantic after comfortably winning the medal for low amateur at the Open, outplaying both Jack Nicklaus and Mickelson. He radiates serenity and confidence as if they form his own magnetic field. Chips are holed, long putts fall close, all with the excitement of a bank cashier handing over notes to a mid-week customer. Nothing [illegible] him, *seemingly*, and *nothing flusters* him. Anyone who can outplay Nicklaus in the fourth round of the Open clearly has a future in golf.

Following victory at Peachtree, teams from the British side of the Atlantic held the Ryder, Walker and Curtis cups. There had never been a time like it. But US golf recovered quickly. Its women amateurs reclaimed the Curtis cup and in a few weeks its men professionals will try and regain the Ryder cup, a trophy they last won in 1983.

Form suggests that the US will triumph at Portmarnock. But since when did form stand for anything in golf, particularly in Ireland? Anything could happen and with a bit of luck it will.

**John Hopkins**

Driving force: Phil Mickelson, the US team's precocious [illegible]

# Handley has Giant boots to fill

ALTHOUGH the American football season officially opens tomorrow, the New York Giants will have to wait a little longer to begin the defence of their Superbowl. On *Monday, they face the champi*ons of the previous two years, the San Francisco 49ers.

After a summer of substantial, and sometimes controversial, change, the kick-off will not have come too soon for the Giants. Since that sunny *Florida* day in January when New York's *rock-solid* defence and charging-bull running game [illegible] the Superbowl from the more-favoured Buffalo Bills, a lot has happened. Half the club has been sold to a new owner, the head coach and a key assistant have departed, the veteran quarterback has been replaced by an understudy, and players have come and gone in a merry-go-round of signings, retirements, draftings and rejections.

Of all the summer's changes, potentially the most disruptive was the unexpected departure of head coach Bill Parcells. Parcells, the architect of two Superbowl triumphs (the first in 1987), was enormously popular in New York and one of the most respected men in the game. His decision in May to leave may have been a typically brave career move (he has since joined NBC as a TV commentator), but it was a blow to the Giants.

The club turned to someone from within its own ranks, choosing Ray Handley, a man with seven years' experience with the Giants as an assistant coach. Handley's ascension *surprised few, except perhaps* Handley himself. He had been planning to give up football, and was on the verge of enrolling in law school when Parcells [illegible] *his* retirement.

The bookish Handley is cut *from a different cloth to Par*cells, whose quick wit and quick temper delighted and [illegible] players and sportswriters. While Parcells [illegible] his players with the carrot and the stick, Handley has adopted a more conciliatory *approach, offering* encouragement with a quiet authority.

The new coach has inherited a talented team that is used to winning. New York fans, though, worry that Handley will fiddle with a successful formula. That formula has been based on two strengths: a big, dominant defence and an offence that keeps the ball on the ground and out of opponents' hands.

At the heart of the defence is Lawrence Taylor, once the best and still the most intimidating linebacker in football. With fellow linebackers Pepper Johnson and Carl Banks, Taylor's job is to disrupt opponent's attacks, "sacking" the quarterback (dumping him on the ground while he still has the ball) *tackling the ball-carriers*, or batting down passes. It is a job all three are spectacularly good at. There is no reason to suspect that Handley will alter the way the defence goes about its destructive work.

The new coach is more likely to tamper with the offence. Before his appointment, Handley was in charge of the Giants' running backs. These human powerhouses employ bulk and speed to bulldoze through, *or scamper around*, opponents' defenses.

*Under Parcells, the Giants* favoured the sledgehammer over the stiletto. The running backs battered at defensive lines. It proved an effective, *but hardly pretty* tactic. It gained yards and ate up the clock and minimised the risk of mistakes.

Under Handley it looks as if the passing game will play a greater rôle in the Giants' *attacking repertoire. Why?* Because he has chosen a new quarterback to lead his team.

The quarterback is the most important position in football. He starts all offensive moves. His passing, handling and running skills can determine whether a team wins or loses. The quarterback is that rarity: the general who fights with his troops in the trenches.

In choosing Jeff Hostetler over *Phil Simms Handley has* put his faith in a younger, quicker, more versatile player, better suited to an adventurous passing strategy. In the last five games of last season, Hostetler took over when Simms was injured. His [illegible] performance as an understudy, and his ability to improvise on the field with deft passes or scrambling runs, took the Giants to the Superbowl.

The choice of Hostetler was not universally popular. There is an old rule in American *football that says a player* – especially a quarterback – should not lose his job because of injury. Simms lost his last year after badly damaging his foot in a game against Buffalo. Yet apart from a few relatively *meaningless* [illegible] lies, he has had little opportunity to win it back.

Simms has spent the best part of a decade as leader of the Giants' offence, and many sportswriters in New York felt that he was badly treated when Handley awarded the starting rôle to Hostetler. Yet US journalists can get sentimental about veteran athletes, particularly those like Simms who, throughout their careers, *display a courage and modesty* rare in US professional sports.

There is no room for sentimentality in the brutal world of American football. Hostetler is the Giants' future, and that future begins in front of 77,000 fans on Monday night.

**Patrick Harverson**

## Motoring/Stuart Marshall

# Small company, intelligent car

ABOVE ALL, Saab's latest prod*uct, the 9000CS, is an intelligent* car. No, it is not stuffed full of computers. It does not have rear wheel steering, or four-wheel drive, or clever knick-knacks such as rear-view mirrors that automatically change position when you adjust the driving seat.

What it does have is a *solidly-built body* that looks like a saloon, although is really a hatchback with a huge tailgate and a low sill. It is not bulky. At a shade over 15.5 feet (4.75 metres) overall, the front-*wheel driven Saab* is the same length as a Mercedes 200-300, slightly shorter than a Vauxhall (Opel) Senator.

Mounting the 4-cylinder 2-litre or 2.3 litre engine sideways makes it so roomy inside that the US authorities rate it a large-, not medium-sized, car. It has more *than* enough performance. Remarkably, the 2.3 turbo is able to out-accelerate a Ferrari in the 50-75 mph (80-120 kph) *speed* range. That, plus a standard traction control system, means overtaking can be short, sweet and safe.

In Sweden, where I tried the 9000CS last week, the roads beckoned seductively fast and were almost deserted. But the police *use helicopters as well as radar to enforce* speed limits. Even on the quietest roads getting an illicit move-on could have been very expensive.

Driving in Sweden is either boring or relaxing according to one's temperament. Having to drive fairly slowly, though, has its advantages. One concentrates not on things of limited interest to most buyers like high *speed* handling and sheer cornering powers but on motoring's finer points.

I can report that the 9000CS is almost free of tyre noise, even on coarse surfaces, and is [illegible] mechanically. Its clutch is light and the 5-speed gearbox delicately precise.

*The 2.3 litre engine has a split personal*ity. It will zip eagerly up to high revolutions, or pull so hard in top at 2,000 rpm that one can forget about gear changing on the open road.

The driving position, location of controls and the general feel of the car are so good you know an enthusiastic top management does its own product testing.

This kind of *hands-on management* is possible only when a firm is fairly small. As car makers go, Saab is in the junior league with an output of around 100,000 a year. The [illegible] assembly plant is compact but well equipped. A Japanese-style zero defect policy means that unless *a partly built car is rated perfect, it does* not go on to the next assembly stage.

Saab, *like several other small producers*, fell on hard times in the late 1980s and General Motors, keen to acquire a prestigious marque for Europe, rode to the financial rescue. It now controls Saab Automobile AB and the man in charge is an American, David Herman. General *Motors allows Herman to ride Saab with a* light rein, conscious that if its presence were too obvious, the marque's identity would suffer. (Ford is in a similar position with Jaguar). Herman displays an almost religious convert's faith in Saab's future as a high-status car producer.

*He explains that the 9000CS is a mid-life* upgrading of the 9000. It has a new front and rear, even *greater passive safety*, and a more rigid body shell that has allowed suspension changes to be made.

Before long, Saab will become a three-model producer. The veteran 900 will be replaced with a new model and a luxury car will join the range at a level above *that of the 9000CS*.

Powering the new, big car will be a 3-litre, V6 engine to be made at Ellesmere Port, Cheshire. It will, of course, be used in GM's Opel and Vauxhall cars, too, but the [illegible] will [illegible]. The *Saab* 5-speed transaxle from the [illegible] – acknowledged, Herman says, as best in class – will also be found in some of the more up-market GM products.

The new 9000CS will make its debut at Frankfurt Show in [illegible] time. In Britain, it will be seen for *the first time* at London's Motorfair in [illegible] and sales will start here soon afterwards. There will be 2-litre and 2.3 litre turbocharged and naturally aspirated models, with manual or automatic transmission. All have catalytic converters – and bumpers that survive *up to 5 mph (8 kph)* impact unscarred. UK prices are to be announced at Motorfair. They are expected to be five per cent higher than those of existing models; say from [illegible] for a 9000CSi to nearly £30,000 for the limited edition 2.3 litre turbocharged [illegible]

BOOKS

# The grand old man of Ayot

*I will not dissemble the first emotions of joy on the [redacted] of my freedom and, perhaps, [redacted] of my fame.* Thus [redacted] fessed Gibbon [redacted] he had penned the last word of *The Decline and Fall of the Roman Empire*. I should imagine that Michael Holroyd must feel similar emotions of joy now that he has reached the end of his great life of Bernard Shaw, the third and concluding volume of which, *The Lure of Fantasy*, is published on Thursday. Holroyd's fame was established a long time ago with the publication of his *Lytton Strachey: A Critical Biography*, but it will be much enhanced by the completion of his Shaw.

We begin this volume [redacted] 1918, with Shaw gradually emerging from the opprobrium he incurred during the war through his pacifism. Yet he has not in any way changed his spots. He is just as scathing about the peace treaty as he was about the war, and devastatingly accurate on the long-term [redacted] exacting reparations from [redacted] Germans. He [redacted] brilliant broad[redacted] on all this [redacted] his [redacted] to *Heartbreak House*, [redacted] play was performed.

On the home front, his marriage to Charlotte has settled into a contentedly companionable union, based on the overriding importance of his work. Their two bases are a London flat at Whitehall Court and the house in Hertfordshire [redacted] Ayot [redacted] Lawrence that since [redacted] belonged [redacted] National Trust.

To [redacted] his bulging daily postbag, [redacted] a devoted life-long secretary in Blanche Patch. The authority over his well-being exercised by the two women at home is challenged from time to time by others from outside, notably Molly Tompkins, an American actress, and the American-born Nancy Astor, *châtelaine* of Cliveden and the first woman MP. They become assimilated into the inner circle without displacing [redacted] foundations, though Molly has a [redacted] try. Another [redacted] judicious female influ[redacted] dating from his Fabian days, [redacted] that [redacted] Beatrice Webb. She and her husband Sidney (Lord Passfield) are the Shaws' [redacted] friends.

Holroyd [redacted] relations with all these people, going along various routes in a series of vigorous hikes. Each of the many plays Shaw wrote, from his 60s to his 90s, receives its full analytical due; and so do occasional non-dramatic [redacted] such [redacted] *The Intelligent Woman's* [redacted] *Socialism, Capitalism, Sovietism and Fas*[redacted] *Adventures Of* [redacted] *Black Girl* [redacted] *Search For God*, both best-sellers

The biograph[redacted] to withhold information about his [redacted] – a [redacted] *or more of them in all* – will be divulged [redacted] last in an [redacted]tional volume yet [redacted] be pub[redacted]. Holroyd apologises to scholarly readers for this [redacted]t. H[redacted] explains that, for the unscholarly reader, "I wanted to pr[redacted]t *a 'pure' narrative* that was neither interrupted by [redacted] of numbers [redacted] *undermined by a* [redacted] footnotes."

But the "purity" of the narrative is constantly spoiled by [redacted] analyses [redacted] works. Perhaps [redacted] inevitable, but could it not [redacted] been [redacted] concisely? Holroyd unfortunately lacks the [redacted] putting his thoughts on any work by [redacted] into a nutshell. For example, just [redacted] reader is settling [redacted] *to the volume*, and looking forward to becoming acquainted with the mature Shaw, the narrative comes to an abrupt halt while pages 8 to 25 are taken up by the analysis of *Heartbreak House*. In order to make anything of this you simply have to put down the book and reread the text of the play.

In this play Shaw succumbs to *The Lure of Fantasy* of Holroyd's title and it is fantasy that is to become the main ingredient in his plays from this period onwards with the possible exception of *St Joan*. Now comes the gigantic self-indulgence of *Back to Methuselah*, and the surreal *Too True to be Good*, with its opening speech by a Microbe, its portrait of Molly Tompkins as Sweetie, and Private Meek who, [redacted] well-known, was based on T.E. Lawrence.

[redacted] several more [redacted] in the volume [redacted] a close friend [redacted] friends include the champion boxer Gene Tunney [redacted] McLachlan, [redacted] Stanbrook with whom Shaw has a long correspondence. Old friends fallen on hard times like Mrs Patrick Campbell and Frank [redacted] hand as [redacted] *Cart*, [redacted] *Simpleton of* [redacted] *Unexpected Isles*, *Cymbeline Refinished* and other minor works.

**[redacted] SHAW: THE LURE [redacted] FANTASY 1918-1950**
**by Michael Holroyd**
[redacted]

Above all, [redacted] becomes an [redacted] on the world [redacted] This *is the Shaw I remember* - the white-bearded pontificator of Ayot, [redacted] by autograph-hunters, visiting statesmen, [redacted] of all kinds, hostile journalists, sightseers. Shaw visits [redacted] Union [redacted] Lady Astor and [redacted] admiration for Stalin. Holroyd's disclosures of Sha[redacted] gullibility [redacted] communism and fascism, his acceptance of the doctrine that individuals undesirable to the community should be liquidated, are frank and even now quite shocking.

As a playwright his major work is behind him. From now on his first night[redacted] will [redacted] be in the West End or at the Court (later Royal), but [redacted] Malvern where under the guidance of Barry Jackson, and with encouragement from his musical friend Edward Elgar, he finds a loyal audience. Here is the planting of the acorn of the arts festival concept we in our time have watched flourish so mightily up and down the land. Shaw goes further than mere festivals and demands the establishment of a permanent well-funded *National Theatre*.

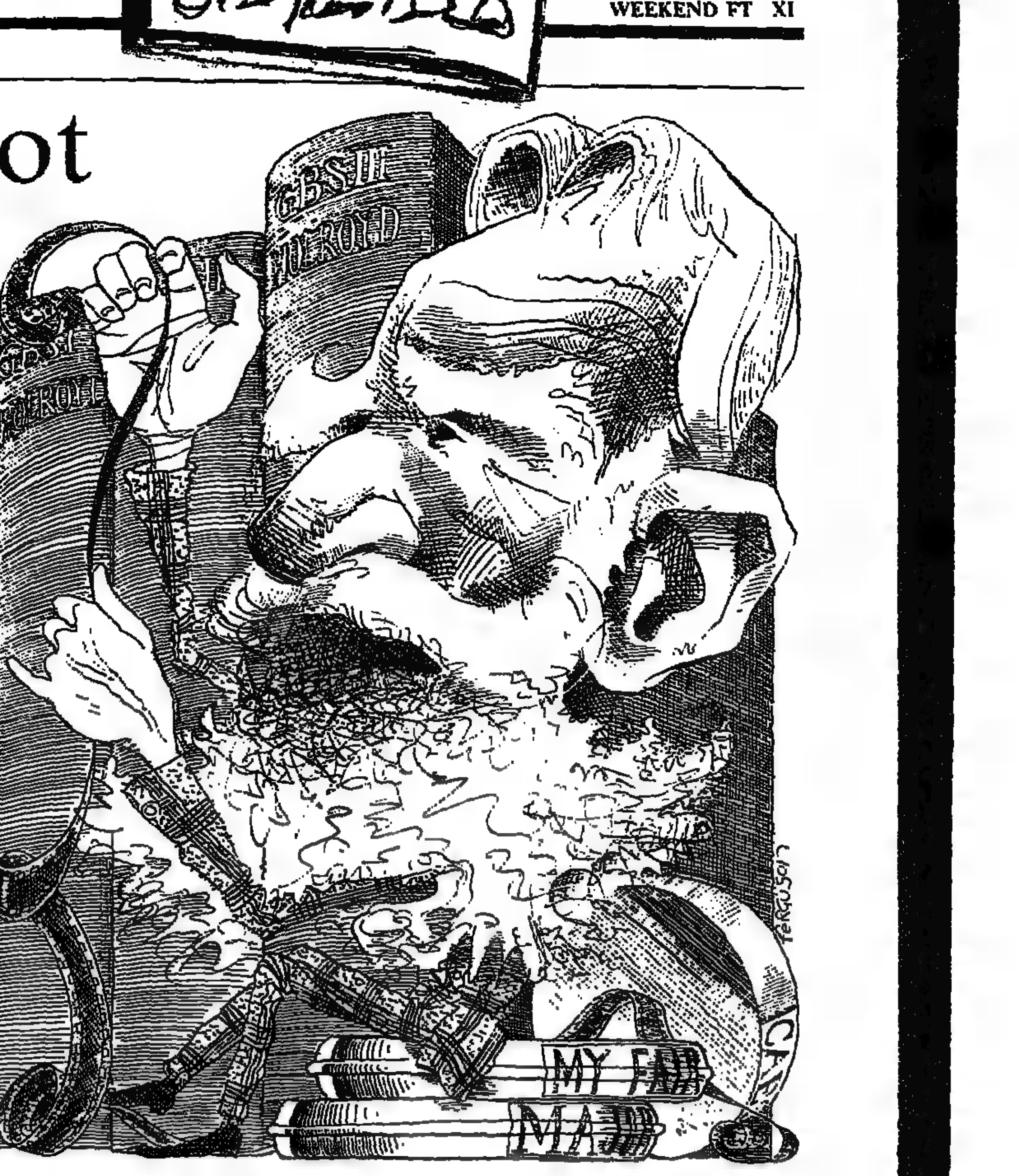
Holroyd paints [redacted] picture of Shaw's fame spreading [redacted] the globe [redacted] unmatched by any other modern writer. In the US he is [redacted] under [redacted] wing [redacted] Lawrence Langner [redacted] Guild, [redacted] in Germany his [redacted]utation remains [redacted] translator [redacted]

After [redacted] of [redacted] Shaw capitulates [redacted] importun[redacted] an extravagant [redacted] from [redacted] Europe, Gabriel Pascal, [redacted] agrees [redacted] *him produce* [redacted] film of *Pygmalion*, [redacted] which he [redacted] now becomes mad about [redacted] cinema as a medium. *Major* [redacted] follows, also a [redacted] but [redacted] the disaster [redacted] *Caesar and Cleopatra* he with[redacted] into his shell. [redacted] idea [redacted] getting Lerner and Loewe [redacted] musical out [redacted] *Pygmalion*.

The [redacted] of Charlotte [redacted] bachelor [redacted]*dom at the age of 87.* [redacted] has no [redacted] for remarriage, however, [redacted] number of offers, or indeed [redacted] social intercourse. Holroyd's [redacted] widower years [redacted] the [redacted] in 1950 make a kind of self-con[redacted] *novella* [redacted] the end [redacted] the [redacted]. A wry [redacted] geriatric comedy he never wrote. It includes several new charac[redacted] in [redacted] Scottish housekeeper who was [redacted] than [redacted] match [redacted] him, and hangers-on *in the form of* potential biographers and organisers of Shaw societies, all demanding their pounds *of* flesh. [redacted] longed for death [redacted] them.

[redacted] *major playwright* [redacted] many flawed masterpieces or [redacted] many pol[redacted] *diatribes? Holroyd*, avoiding [redacted] assessment, probes the cracks, [redacted] the wounds, [redacted] *explana*[redacted] *frequently* harks [redacted] to [redacted] terrible Dublin childhood and [redacted] job from which Sonny [redacted]lutely [redacted] himself. [redacted] three volumes [redacted] biography represent an [redacted] the highest [redacted] that [redacted] in the dramatic, [redacted] cultural history of [redacted] neglect. And I will [redacted] dissemble [redacted] emotions of joy in having fin[redacted] reading them.

***Anthony Curtis***



Fiction

# A whole lot of trouble

PETER CAREY'S fourth novel – successor to *Illywhacker* and [redacted] *and Lucinda* – is set in the sort of place you could pass by every day of your life without noticing. Catchprice Motors is a woebegone General Motors dealership in a rundown suburb of Sydney, a once bustling business now gripped by rust and decay. The family who own it, however, are certainly noticeable, a seething [redacted] of dreamers and delinquents who threaten to ensnare anyone who *wanders on to their* weed-strewn lot. In charting a few days in the life of this most dysfunctional family, Carey has created a powerful yet strangely diffuse novel.

The story centres upon *18-year-old Benny Catchprice*, a profoundly disturbed youth who bears a bullet wound inflicted by his long-absent mother and suffers from delusions of becoming an angel. He lives in a rank *basement hovel filled with* graffiti, sex magazines and a collection of pickled snakes. After being fired from the spare parts department by his Aunt Cathy, a would-be Country & Western star, *Benny decides the best route* to angelhood is to become the family's ace salesman. He dyes his hair white, spends his savings on self-actualisation tapes, and tattoos large wings on his back. Grandmother Frieda, who carries plastic explosive in her purse, seems to understand Benny's transfiguration, though Benny's Hare Krishna brother Vish and sexually abusive *father Mort aren't so sure*.

**THE TAX INSPECTOR**
**by Peter Carey**
*Faber* [redacted] *£14.99, 279 pages*

The situation is complicated by the arrival of Maria Takis, a young tax inspector who is eight months pregnant. Although she tries to maintain a professional distance from *the Catchprices, Maria is soon* drawn up into their dramas. She attempts to help the pitiful clan by erasing evidence of their tax evasions, and soon finds herself inextricably joined to them when she has an affair with Benny's Uncle Jack, a rich property developer. When her relationship with him sours, Maria is taken to the family's troubled core in a most unexpected way – she is kidnapped by Benny and locked in his putrid lair, where she goes into labour just as the crazed Frieda decides to use the [redacted] *of her purse to put Catchprice* Motors out of business.

Though lacking the narrative sweep of Carey's previous work, *The Tax Inspector* still packs considerable punch, drawing strength from its characters, an explosive lot who mix together like volatile chemicals. None of them are as they seem – Grandma Frieda appears at first to be a near-senile old bat, yet once *Carey airs out her ruined* dreams of owning a flower farm (which, by the way, explains her cache of tree-clearing gelignite), she gains breadth and sympathy. Likewise with Mort, the *tortured father who cannot* understand why he responds the way he does to the touch *of his son's flesh. And of* course Benny, whose delusions are brought home with a rare intensity, especially in the scene where he seduces his father.

The interloping Maria is less striking *than the others*, as if Carey has assembled an attractive array of parts yet left out the driving mechanism. Her immigrant-daughter conflicts [redacted] entanglements [redacted] far [redacted] involving than [redacted] Catchprices' [redacted]. When *she finally* lashes out with violently maternal instincts, you feel the author's guiding hand resting a bit too heavily on her shoulder. That said, I doubt there will be a more memorable group of *characters put on the page* this publishing season.

Where the novel is less *successful is in its storyline.* Although replete with the sort of strong prose and striking observation you would expect *from Carey, his plot meanders* in some places, while in others it follows all-too-predictable lines. *Most readers will be able* to guess what is going to happen after catching sight of Frieda with her explosives and Benny in his dungeon. After about the halfway point the story seems to grind *perfunctorily toward its* climax, which hovers perilously close to melodrama The odd digressions do nothing to broaden the novel's scope. They merely postpone the inevitable. It makes for *a book whose considerable* power pulses undirected, like a jumper cable that has [redacted] *loose from its battery.*

***Stephen Amidon***

# Sadness and skulduggery

BROOKNER territory [redacted] now *familiar*. What might [redacted] has [redacted] an [redacted] knowing they will find [redacted] woman in comfort[redacted] circumstances look for variations not of place or atmosphere *but of the same theme.* The same houses, flats and life's furniture in general reappear as before in *A Closed Eye*. But more sadly, even, than in the rest.

Harriet is an unremarkable young woman [redacted]ther surprisingly proposed [redacted] by [redacted] rich man of her [redacted] generation. [redacted] never occurs [redacted] her *or* [redacted] parents to [redacted] him: [redacted] an [redacted] to all their problems, financial and social. The mar[redacted] chugs along, agreeably oiled by his money, rattled only by Harriet's obsession with the *dazzlingly* attractive husband of her best friend and [redacted] by a total commitment [redacted] own equally *dazzling* daughter, Imogen. Imogen's mysterious life hints [redacted] of depravity, *but* whether [redacted] "knows" (that is, accepts) this is not quite clear: probably not.

*Politely, quietly*, well-dressed and expensively housed in neutral Switzerland, she lives out an empty [redacted] age, dead not to feeling but to joy and hope. Loneliness can hardly [redacted] been better portrayed: the death not just of relationships but almost, [redacted] early in life, [redacted] life [redacted]. This is Anita Brookner [redacted] sombre: yet not gloomy [redacted] depressing – [redacted] writing is [redacted] good, and a work [redacted] art is always in [redacted] exhilarating.

*Daughters of* [redacted] are [redacted] besotted groupi[redacted] a [redacted] figure called Rice Robey, [redacted] charlatan, mystic [redacted] pseud. [redacted] of A.N. Wilson's characters, [redacted] earlier books, [redacted] centre-stage. The narrator, Julian, a small-time [redacted] hugely popular radio soap called "[redacted] Mulberrys", has the energy and memory [redacted] to portray a broadish swathe of English life which includes clerical, academic, political, civil service, artistic, journalis[redacted] and broadcasting [redacted] in [redacted] complex country [redacted] *relationships, enmities*, and enigmatic [redacted], [redacted] pathetic.

Backbone [redacted] *this sprawling* world [redacted] remains [redacted] Lampitt family, whose fallen fortunes and decayed [redacted] *tuality* [redacted] in a big house full [redacted] treasures [redacted] junk; while [redacted] ambiguous Robey (saint [redacted] martyr? Idiot crankster?) [redacted] aspects [redacted] what [redacted] in all senses [redacted] the New Age.

Rather [redacted] than [redacted] of Proustian ambition appear, and part [redacted] (as with Proust or Powell) [redacted] conjecture, linking the fictional with the real, particularly since "real" characters (George Brown dancing drunkenly with [redacted] tree, for instance) pop up *among* [redacted] and many [redacted] fictions are so [redacted] to [redacted] that [redacted] seems [redacted] *be reading* [redacted] *prolonged* [redacted]le spoof.

Much of the book is extremely deft and funny, *but* there is more to it than dancing round [redacted] maypole of shared memory. *In a few piercing moments*, memory itself is analysed and feelings [redacted] and longing surface [redacted] years after the event, as when Julian suffers for his parents' death in the Blitz 25 years earlier, [redacted] *misery of* being sent away to prep school. [redacted] *the level of writing* and feeling is suddenly lifted, and achieves a new power almost unrelated to the rest.

**A CLOSED EYE**
**by Anita Brookner**
*Cape, £13.99, 255* [redacted]

**DAUGHTERS OF ALBION**
**by A.N. Wilson**
*Sinclair-Stevenson, £14.95,* [redacted]

**LEMPRIERE'S DICTIONARY**
**by Lawrence Norfolk,**
*Sinclair-Stevenson, £14.95, 530 pages*

**THREE NOVELS**
**by Nina Berberova**
[redacted] *£11.59, 195* [redacted]

**THE ITALICS ARE MINE**
**by Nina Berberova**
*Chatto and Windus, £20. 600 pages*

*Lemprière's Dictionary* is a first novel of extraordinary complexity, occasionally maddening because it seems impossible to hold on to any thread of narrative connection, but *gradually gaining* a hold on the imagination. It finally makes a grand design, spanning two *centuries, half the known* world, and the mythological parallels known to Lemprière *as he accumulates entries for* the classical dictionary that bears his name and is still, to those who use *it, part of their* everyday intellectual toolbox.

The plot [redacted] elaborate, [redacted] book [redacted] in a [redacted] review: it [redacted] *long-term skulduggery* [redacted] India Company, [redacted] from Europe, [redacted] terrible siege of [redacted] Rochelle, [redacted] between history and mythology, murder, incest, and [redacted] 18th-century London. [redacted] writing [redacted] fervent, simple in technique but *extremely complex* [redacted] effect; [redacted] author a [redacted] young man [redacted] (obviously) [redacted] and promise.

By its mixture of historical periods, the real and the fictional, the imaginary and the probable, of learning, myth, violence and realism, I was reminded of Ackroyd's *Hawksmoor* and Eco's *The Name of the Rose*; also, because of its close knowledge of London and *the Thames*, its use of codes and secret languages, its imag[redacted] drowned sailors, [redacted], underground [redacted] muddy death, it recalls [redacted] *Land*. Expectation must [redacted] high: [redacted] next?

At 90, [redacted] Berberova must [redacted] one [redacted] oldest [redacted] who remember pre-Revolution[redacted] Russia, but [redacted] novellas in the short [redacted] called *Three Novels* [redacted] all *post-revolutionary* and mainly [redacted] exile. Like [redacted] author's [redacted] between [redacted] and 1965, first published in [redacted] and now reissued, they are full of "characters" behaving "Russianly" but never really making one believe in [redacted] imagi[redacted] life or importance. [redacted] Chekhov, you [redacted] much [redacted] answer for: too many [redacted] with much less of value to [redacted].

***Isabel Quigly***

# Weeping woman

"ARE YOU [redacted] writer [redacted] weeping woman?" Djuna Barnes once asked Antonia White, [redacted] challenge [redacted] was [redacted] haunt her for the [redacted] her life. While not [redacted] admirers would claim that [redacted] White, who suf[redacted] perennially [redacted] writer's block, was anything more [redacted] *minor* literary figure, they will [redacted] disappointed [redacted] find [redacted] her *Diaries*, as [redacted] by *one* [redacted] *her daughters*, Susan Chitty, [redacted] *far* [redacted] about [redacted] weeping [redacted] writer.

[redacted] White's reputation rests on her first novel, *Frost in May*, which received unanimous acclaim [redacted] publication in 1933. Like everything else [redacted] she wrote, this account [redacted] middle *class* girl's experiences [redacted] convent, [redacted] ised mainly by the old European aristocracy, [redacted] largely autobiographical. It [redacted] apparently [redacted] the hermetically sealed [redacted] *of the convent*, [redacted]cipline and [redacted] become the norm for its susceptible inmates. Everything is *seen from the viewpoint* of Nanda Gray, [redacted] is nine [redacted] she enters the convent and 14 [redacted] *she* [redacted] *in disgrace. It* [redacted] to appeal equally to Catholics, who [redacted] similar memories, as it [redacted] to non-Catholics curious about the reality of [redacted]

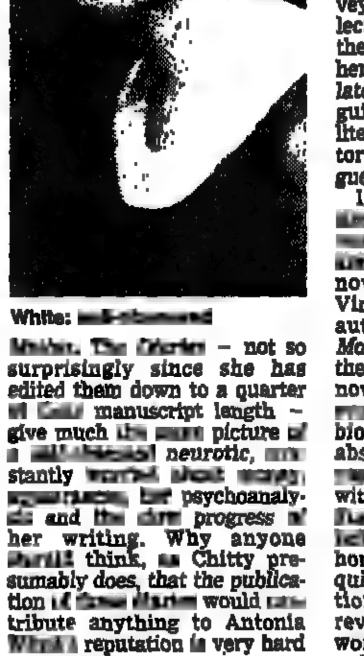
**ANTONIA WHITE DIARIES 1926-1957**
**edited by Susan Chitty**
*Constable £19.95,* [redacted]

**AS ONCE IN MAY**
**by Antonia White**
*Virago £4.99, 153 pages*

Her second novel, [redacted] *Lost Traveller*, did not [redacted] 1950, [redacted] was followed by [redacted] *Sugar* [redacted] in [redacted]. The [redacted] reception given [redacted] two works [redacted] bitterly [redacted] "a kind of legend, the perfect thing I brought [redacted] and never will again." But her last published novel, *Beyond* [redacted] (1954), an account of [redacted] and subsequent recovery, contains *some* [redacted] *her* [redacted] *powerful* writing. Virago launched [redacted] influential Modern [redacted] [redacted] *Frost* [redacted] *May*, bringing [redacted] to a new generation of readers just before her death in 1980.

[redacted] autobiographical fiction [redacted] based on [redacted] life [redacted] *was* [redacted] in [redacted] ages [redacted] and [redacted] spell at St Paul's, she [redacted] formal [redacted] the age of 17 and became subsequently a governess, an actress, an advertising copywriter *and a fashion journalist*. Her first marriage was annulled and, while living at home in its aftermath, Antonia was certified insane. Soon after her recovery she became pregnant after one night with her first lover, and had an abortion. Her second marriage, to an older homosexual, was also eventually *annulled*, and when [redacted] journals [redacted] (effectively in [redacted] are just [redacted] on [redacted] in [redacted] living with her third husband, the writer Tom Hopkinson, and her children: Susan, from an [redacted] Glossop, [redacted] Lyndall Hopkinson.

[redacted] Chitty [redacted] already written [redacted] memoir [redacted] White entitled [redacted]



White: [redacted]

[redacted]. [redacted] – not so surprisingly since she has edited them down to a quarter [redacted] manuscript length – give much [redacted] picture [redacted] *neurotic*, [redacted]stantly [redacted] psychoanaly[redacted] and [redacted] progress [redacted] her writing. Why anyone [redacted] think, [redacted] Chitty presumably *does*, that the publication [redacted] would [redacted]tribute anything to Antonia [redacted] reputation [redacted] very hard [redacted] imagine.

For [redacted] start, they are [redacted] but consist of [redacted] series [redacted] notebooks, private jottings such [redacted] made by many [redacted] when struggling [redacted] work-in-progress, [redacted] good intentions, impossibly ambitious work schedules, slid[redacted] into self-analysis and reflection [redacted] one's [redacted] all [redacted] fails. White displays the typical neurotic *inability* [redacted] anything [redacted] for any length of time. Friends and [redacted] only [redacted] interest [redacted] they affect [redacted] – and, by and large, [redacted] she chooses [redacted] fairly dull. The [redacted] and [redacted] coherence improve slightly [redacted] 1940 when [redacted] returns [redacted] Catholic church, although her initial rediscovery [redacted] religion is accompanied by [redacted] apparently [redacted] lesbian [redacted] and high hysteria.

The extent to which [redacted]veys so little sense of the intellectual, even the social, *life of* the period is an indication of her utter self-absorption. In her *later* [redacted] she was a distingui[redacted] translator [redacted] French literature, but [redacted] editor's [redacted] would never guess it.

I was [redacted] thoroughly [redacted] by [redacted] that it [redacted] that I [redacted] look at the quartet [redacted] novels, now reissued by Virago, [redacted] the unfinished autobiography *As Once* [redacted] *May*. I can report that, [redacted] the [redacted] her novels stand [redacted] as well as [redacted] newly-published autobiographical fragment is [redacted] absolute [redacted]. [redacted] her [redacted] 22 Perham [redacted] and with her [redacted] at [redacted] in [redacted] up to [redacted], [redacted] home life. [redacted] sparkles with *quiet humour*, close observation [redacted] affection, revealing [redacted] totally [redacted] woman from the diaries. A writer, in fact.

***Alannah Hopkin***

# The lady's inner circle

T[redacted] of [redacted] pinned [redacted] Margaret Thatcher's coat-tails and [redacted] more [redacted]. Certainly one hopes so. *John Ranelagh* was a member of [redacted] Conservative Party Research Depart[redacted] when Thatcher [redacted] opposition [redacted] mid-to-late [redacted]. [redacted] such, [redacted] some [redacted] how [redacted] prepared – and was prepared – [redacted] the premiership. His [redacted] is, I suppose, intended [redacted] be [redacted]thetic. [redacted] on [redacted] grounds, however, he is frequently offbeam.

It [redacted] said of Thatcher that the principal influences on [redacted] small-[redacted] Grantham, where [redacted] up, and her alderman [redacted]. She has [redacted] their importance. Yet [redacted] Oxford [redacted] chemistry [redacted] I wonder if [redacted] influ[redacted] university was not at [redacted] significant. The Principal [redacted] Somerville, [redacted] attended, [redacted] been repeatedly quoted [redacted] saying: "Nobody *thought anything* [redacted] her." That seems more a refl[redacted] tion on [redacted] university estab[redacted] student. Miss [redacted] was nothing if not ambitious, responding [redacted] frontiers. Somebody must have noticed.

**THATCHER'S PEOPLE**
**by John Ranelagh**
*HarperCollins £15.99, 334* [redacted]

*Ranelagh* [redacted] *into* [redacted] repeating [redacted] myth. He [redacted] again when it [redacted] to *her apprenticeship as* [redacted] *of* [redacted] opposition. [redacted] by [redacted] small [redacted] of people. For [redacted] time [redacted] true, and the bunch was an odd one. It included such [redacted] figures [redacted] *the now* Lord Joseph – whom [redacted] has always [redacted] crucial – writers such [redacted] Friedrich *von*. Hayek, [redacted] advertising man Tim Bell [redacted] former communist [redacted]. *Yet* the point about Thatcher [redacted] continued [redacted] develop, especially when [redacted] *became* seriously interested in foreign [redacted] could [redacted] she chose, *even* from the British diplomats [redacted] reputed [redacted] look down on. This [redacted] development [redacted] in the [redacted].

Nevertheless, [redacted] interesting details, some [redacted] which concern Thatcher's [redacted]nomics adviser, Sir Alan Walters. We learned from Nicholas *Ridley's recent book My Style of* [redacted] that [redacted] had [redacted] the [redacted] *before* [redacted] Ridley first encountered him [redacted] early [redacted] Ranelagh [redacted] us that Walters [redacted] already advising Enoch Powell in [redacted] early [redacted] a key figure in the shadow cabinet's inquest into [redacted] economic [redacted] of [redacted] government in September [redacted].

Thus [redacted] Lawson, when [redacted] *was chancellor*, [redacted] reason [redacted] wary [redacted] thought [redacted] prime [redacted]. Implicitly the [redacted] helps further [redacted] explain why Lawson resigned. *Ranelagh* [redacted] and, if this book has any polemical purpose, it is to debunk Lawson. At one stage it [redacted] that there was a witch-hunt [redacted] Walters, partly conducted by [redacted] *which reported to Lawson* [redacted] Witchfinder General. [redacted] ex-chancellor, of course, *can* [redacted] himself, [redacted] ought [redacted] so in some detail as soon [redacted] possible [redacted] finish *his* [redacted] *memoirs*).

[redacted] another [redacted] point. Harold Macmillan [redacted] Thatcher's [redacted] they were more full [redacted] Estonians than [redacted], [redacted] it [redacted] true that [redacted] comment on the Jewish content. Again Lawson was right when he said that it was more by coincidence than design: [redacted] in the [redacted] had very different backgrounds and [redacted] records. Yet it [redacted] striking that [redacted] Thatcher, herself surely a [redacted] English figure, did tend to rely heavily on people whose relatively recent family origins [redacted] in [redacted] Europe. I wonder (this [redacted] my point, not Ranelagh's) [redacted] did [redacted] explain her hostility to [redacted] European Community. [redacted] nothing like [redacted] zeal [redacted] a convert for sticking [redacted] English [redacted].

[redacted] judgments [redacted] distinctly strange. Anyone [redacted] Lord Whitelaw [redacted] "uncomplicated fellow" [redacted] not know his man: [redacted] only [redacted] *public. It* was not all that unusual of the [redacted] Keith Joseph not [redacted] watch "because his internal electricity stopped it": that happened to a lot of people. The technology [redacted] changed.

Also some mistakes. Sir [redacted] Powell, [redacted] foreign affairs adviser, [redacted] permanent representa[redacted] European Community, only a counsellor. [redacted] immediate argument [redacted] and Lawson was not [redacted] European monetary system as the exchange [redacted]hanism. The *man* [redacted] Gow, Mrs Thatcher's first [redacted] when [redacted] Prime Minister, and who [redacted] ahead [redacted] Thatcher [redacted] Sir Geoffrey [redacted] in [redacted] view with Ranelagh just [redacted] was killed by the IRA.

***Malcolm Rutherford***

PROPERTY

# The UK's boat people

***John Brennan** on the precarious position of those who live afloat*

JUST [redacted] houseboats figured among the 25,738 licensed and registered boats of all kinds in British Waterways' (BW) [redacted] accounts. Yet there may be 15,000 boat dwellers on and around the 2,000 miles of rivers and canals under BW's management, on private moorings, and on tidal waters.

The anomalous position of these "landless owner-occupi[redacted]" is spelt out in "The Right [redacted] Moor" [redacted] report by [redacted] Price made with the [redacted] of the housing action group Shelter and the co-operation [redacted] the Residential [redacted] Owners' Association.

As the law stands, Britain's boat people have few rights. The status of residential moorings is [redacted] obscure [redacted] the arrangements for year-round living afloat [redacted] casual. The number of residential moorings with full planning permission and adequate services [redacted] far outweighed by [redacted] informal canalside and riverside clusters of houseboats. There is no standard approach to these residents by [redacted] try's "waterlords": the landlords and [redacted] of [redacted] waterways and their banks.

As Price notes, until recently British Waterways [redacted] had [redacted] consistent approach [redacted] its waterborne residents. Once commercial traffic declined and pleasure boats replaced the freight barges, "It [redacted] that if you wished to live [redacted] your boat [redacted] the [redacted] the 1970s, you did so, mooring wherever you liked."

The comparatively tiny number of formal houseboat licences issued by BW [redacted] the fact that many boat [redacted] dents do not stay put all year round. An unknown number of owners with cruising [redacted] live afloat for some [redacted] all of the year. And since BW's policy [redacted] boat moorings varies [redacted] management regions, Price found that [redacted] only common factor [redacted] substantial [redacted] demand for moorings [redacted] available places. In some regions houseboat owners are on five- to ten-year waiting lists for available mooring.

As [redacted] is being restructured to [redacted] on [redacted] more commercial basis, with a projected cut in its government grant from the current 70 per cent to just 30 per cent of its [redacted] requirements by 1993, it has been promoting [redacted] British Waterways Bill (1991) to increase its powers to maintain the safety [redacted] the wate[redacted] system and [redacted] boats that use it.

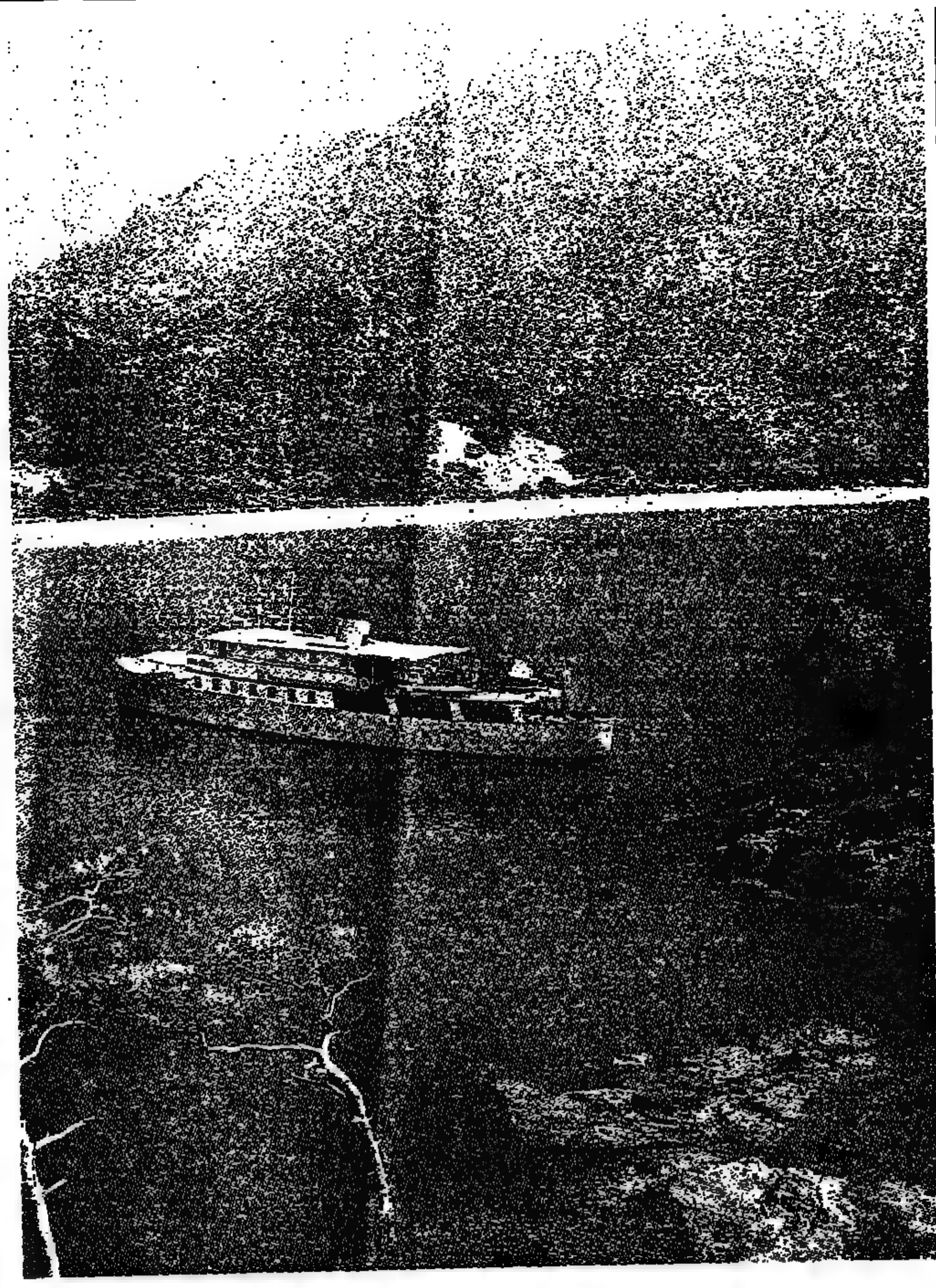
At the committee [redacted] of the Bill in the [redacted] of Lords in July, BW accepted the withdrawal of [redacted] of its more con[redacted] proposed powers of access and rights to impound boats and their contents. It [redacted] agreed [redacted] five-year amnesty for unauthorised houseboats. Assuming that boats are safe, fit for human habitation, not obstructing navigation, preventing development, or moored [redacted] sites where [redacted] planning application specifically [redacted] been refused, BW intends [redacted] "make [redacted] able [redacted] secure" sufficient moorings [redacted] houseboats [redacted] register before [redacted]

But registration between now and [redacted] not result in [redacted] guarantee of [redacted] right to live on [redacted] waterways. BW [redacted] not accepted any statutory duty to [redacted] new moorings.

Price [redacted] keen [redacted] legislative amendments providing security of tenure, control on the [redacted] of rent [redacted] for moorings, [redacted] grant aid for [redacted] repair [redacted] improvement. And [redacted] case for housing associations and co-op[redacted] extend their work to include management of marinas and moorings.

In [redacted] meantime, the lack of legal [redacted] for so many houseboat dwellers, [redacted] extent [redacted] which the occupancy of [redacted] many boat people depends upon authorities turning [redacted] blind [redacted] to often long-established boat "parks", means that: "Boat dwellers are forced [redacted] rely [redacted] goodwill to avoid losing their moorings and [redacted] homes."

■ *"The Right [redacted] Moor", PO [redacted] 99 Coventry CV5 [redacted]*



■ Sotheby's [redacted] now selling houseboats – not [redacted] you see lurching [redacted] mud up a [redacted] creek, but something rather [redacted] elegant, writes Audrey Powell. It [redacted] a [redacted] for [redacted] auction firm. [redacted] years [redacted] held [redacted] auction of classic yachts and found [redacted] buyers preferred [redacted] purchase by private treaty. Sotheby's [redacted] now [redacted] up [redacted] department [redacted] lines. The yachts will [redacted] offered through [redacted] network of offices in [redacted] countries, [redacted] system similar [redacted] International Realty operation for selling residential property.

Just as Sotheby's [redacted] many homes [redacted] being unsuitable [redacted] market, so [redacted] (and of course, residential) yachts will have [redacted] fulfil the firm's criteria for distinction.

Only yachts [redacted] design [redacted] historic [redacted] will be handled by the firm's [redacted] team, which will [redacted] moving the yachts around the Mediterranean [redacted] them [redacted] a wide potential market.

The first [redacted] yacht [redacted] offered [redacted] *Fair Lady*, pictured above, [redacted] has had only [redacted] built [redacted] 1928. Principal rooms are panelled [redacted] mahogany and retain most of the original fittings and furniture. The satinwood panelled card room [redacted] complete [redacted] original card [redacted] books which belonged [redacted] *Lady's* first owner, an Argentinian businessman.

The 138 ft steam yacht has the latest machinery and navigation equipment [redacted] back up [redacted] elegance of [redacted] furnishing [redacted] saloons, [redacted] and cabins.

[redacted] 207 [redacted] floating nostalgia Sotheby's (071-408-51963) is [redacted] £3m. It [redacted] joint [redacted] with Camper & Nicholson (071-491 2950), *Fair Lady's* builder.

# Why Spain costs less

*The price of homes is falling in the coastal areas, says **Audrey Powell***

IT [redacted] SALE time in Spain. Buyers in the UK [redacted] familiar with falling [redacted] prices. [redacted] prices are starting [redacted] come down in the Spanish coastal areas that the British used to dominate.

British [redacted] in financial difficulties [redacted] home have been forced into distressed sales of property in Spain. This h[redacted] tended to reduce the [redacted] of all property on [redacted] "costas". And builders of second homes, with parts of [redacted] development completed, [redacted] pruning prices to attract Spanish buyers.

On the Costa del Sol, where prices had [redacted] climbing continuously, property [redacted] been selling slowly or not [redacted] all, for the [redacted] year.

A typical five-bedroom villa at Sotogrande [redacted] levels, with swimming pool, [redacted] been reduced from £575,000 to £475,000. A four-bedroom, three-bathroom beach-front apartment, with [redacted] to Gibraltar and Morocco, is down from [redacted] £275,000.

[redacted] two-bedroom, [redacted] bathroom penthouse looking over [redacted] marina that came [redacted] the market [redacted] can now be had for [redacted]. A [redacted] bedroom, [redacted] bathroom, south-facing second floor apartment, also with views [redacted] the Rock, [redacted] slid from £274,000 [redacted] £183,000. In [redacted] furniture.

El Encinar, [redacted] the Hotel Sotogrande, is an example of developments feeling the pinch in this area of Spain. Here, for example, a recently-completed three to four-bedroom terrace house offered during construction [redacted] £156,000 is now available for £104,000.

This is a hilltop project, with properties colour-washed in shades of salmon and ochre. The builder had planned to continue the estate down the slope, but once this first batch of properties [redacted] found buyers [redacted] will cease work here, at [redacted] while.

If you prefer a "one-off" home in [redacted] country setting [redacted] little back from the coast there [redacted] an individual property on [redacted] steep [redacted] looking [redacted] valley. This [redacted] has three [redacted] lounge, dining area and study and swimming pool. [redacted] minutes from [redacted] old city of Ronda and an hour from Gibraltar airport. An adjacent plot [redacted] included in the [redacted] figure [redacted] – down [redacted] £437,200.

[redacted] prices in that [redacted] dropped [redacted] in [redacted] last six months, [redacted] Fincasol, which is offering the properties, and many more, at a reduced sum. Tel: 0348-874361.

If you [redacted] in buying mood you do not have to stop at villas or apartments. The Hotel Sotogrande is on [redacted] market, complete with its nine-acre grounds. It was built in 1963 and owned and managed by the developers of the estate until sold [redacted] a small British hotel chain in 1983. It later went to [redacted] Marr (Leisure), which brought it to four-star standard. Recently this company retained Servotel Corporation for the management and marketing of the hotel.

It is offered by Fincasol and Servotel (071-730-9321) at £2.3m. The sum also includes the Valderrama Equestrian Centre. The hotel could be sold separately at £1.3m.

Another agent with examples of sharply reduced housing prices in parts of Spain is Hamptons International. It is offering Las Torres (The Towers) at El Madronal in the foothills of the Sierra de Ronda, about 16 miles from Marbella. This three-bedroom villa, with staff quarters, guest cottage and three acres, came up for sale two years ago at £850,000. It has just been put back on the market at £675,000.

Six months ago a four-bedroom villa adjacent to Las Brisas golf [redacted] priced at £650,000. Now it is [redacted] also through Hamptons.

# A trying time

WHILE YOU might [redacted] that [redacted] was [redacted] perfect [redacted] buy a [redacted] ond home in Portugal's Algarve it could [redacted] worth [redacted] pling a "try before you buy" arrangement offered by [redacted] UK agency.

Algarve Apartments Villas [redacted] properties in [redacted] run Algarve leisure develop[redacted] which you [redacted] rent (furnished) for holidays [redacted] buy [redacted] if the property suits you.

AA&V – [redacted] travel and property company – [redacted] part [redacted] Sturgis International group. "We set up AA&V primarily [redacted] villa rental organisation, but also with [redacted] objective," says [redacted] Sturgis. In the long term, AA&V [redacted] many [redacted] the people [redacted] will [redacted] back [redacted] buy.

It is looking [redacted] to when [redacted] UK [redacted] over, [redacted] to when [redacted] Algarve [redacted] pleted [redacted] road and [redacted] building programmes. The new bridge by-passing [redacted] month, [redacted] will end a frustrating summer [redacted] for [redacted] home [redacted] ers [redacted] visitors.

[redacted] and apartments [redacted] leisure resort [redacted] Vale [redacted] be bought through [redacted] agency from £50,000 to £300,000. Or [redacted] furnished three-bedroom villa there from £280 [redacted] week in the low season to [redacted] peak [redacted]. A four-[redacted] villa with pool [redacted] £580 [redacted] week low season, £1,440 peak.

At Quinta do Lago a small [redacted] apartment [redacted] £55,000; [redacted] three-bedroom villa with pool, backing [redacted] golf course, is [redacted] furnished. A four-bedroom, four-bathroom villa with pool in an acre plot [redacted] £400,000. For trying out, a three-bedroom villa with pool is in the £510 to £1,740 range per week, depending on time of year. The peak weekly rent for a four-bedroom villa with pool is £2,520.

Not everyone wants to be on a development. AA&V (UK tel: 071-259-5665) also has a few individual properties available under "try before you buy". A tile-roofed four-bedroom, four-bathroom villa in the hills with views to the Algarve coastline is for sale at £275,000. It can be rented for about £1,500 a week, depending on [redacted]

AA&V operates in associa[redacted] with [redacted] Aitken & Associates [redacted] Quinta [redacted] Lago (tel: [redacted]

***A.P.***

GARDENING

# Sowing summer seeds

*Arthur Hellyer thinks plant breeders are too concerned with uniformity*

THE SEASON for the display of trials of seed-raised *plants* is with us and new varieties are *coming to light*. At Suttons Seeds' new trial ground at Ipplepen, near Newton Abbot, Devon, there is a particularly brilliant display of geraniums, petunias, impatiens, marigolds and other favourites.

There is also a plant that was, up to the day I saw it there, no more than a name to me. It is called Agastache mexicana, the Mexican giant hyssop, and it is a half-hardy perennial but Suttons were growing it as a half-hardy annual from seed sown under glass early in the year and planted outdoors when danger *of frost was over.*

It makes a densely leafy plant with rather nettle-like leaves that are strongly aromatic. The flowers are carried well above them, slender, closely packed spikes of small white or quite deep purple making a distinctive display.

It stood out in the trial beds and I see no reason why it should not be successful as a plant *for the mixed* or herbaceous border. In some *mild winters* or in very sheltered places, it might overwinter outdoors, but in most places I would expect it to become too badly damaged by frost and rain to be worth keeping on for a *second year.*

The *Plant Finder* lists several nurseries that offers *it for sale*, including The Margery Fish Plant Nursery, attached to East Lambrook Manor, near South Petherton, Somerset, TA13 5HL. I have visited Margery Fish's old home and the nursery twice recently and found both in excellent condition and well worth a visit, but I did not notice the Agastache.

Another plant that was completely new to me turned up at Unwin's trial at Histon, near Cambridge. This is one of the largest of the seed *trials*, always worth looking at when *it is open. The plant I had* never heard of was Lobelia vallida Blue Ribbons. It has slender stems 15 to 18 inches long, quite able to stand up in a loose shuttlecock of growth, totally unlike any of the other Lobelias I know. It is a good, deep blue, is a bit *too sparse in growth to* be planted on its own, but would look delightful in containers growing through other plants. Again, the *Plant Finder* tells me that nurserymen are ahead of the seedsmen, and that several of them are already offering Lobelia vallida, but without the *additional* garden name, Blue Ribbons. *Langthorns Plantery*, High Cross Lane West, Little Canfield, Dunmow CM6 1TD, is one that I know, but the Lobelia would have to be fetched, as this nursery does not do mail-order. Perhaps it would be easier to wait for seed this coming season.

There are welcome signs that the retail seed firms are gradually shaking themselves clear of the commercial pack plant growers, who, because of their large requirements for seed, tend to dominate flower breeders. What these producers want are varieties that are compact and free-flowering when still young, so that they are able to make a great display in the break-up plastic packs in which they are offered for sale. How they develop after that is not of such immediate interest. They may be fine for *containers, including* window-boxes, and as edging *plants*, but they are extravagant when it comes to filling large spaces. There is no doubt that there is a potential demand for larger-growing plants.

An example of what I am talking about is the proliferation of very compact varieties *of impatiens*, each one hailed as even dwarfer than its predecessor. There is one totally different strain of impatiens named Blitz, with varieties like Blitz White, Blitz Orange, Blitz Salmon, Blitz Red, Blitz Rose, and Blitz Violet, which grows a good foot high and a couple of feet across, generous plants that cover a lot of ground and make a great display for the money one spends on them, but which get very little *publicity*. All the Blitz varieties could be improved because they take a long time to come into flower and they hide *their* early flowers among the leaves. I *hope someone will take note*, but I am afraid the economics of bedding-plant cultivation are against it.

Another of my hobby-horses is an objection to what I see as an excessive concern with colour uniformity in seed-raised plants. This has been made possible as a result of the perfection of first-generation, or F1, hybrids. It seems to me to have become rather an obsession with the plant breeders, who reject *everything that does not* reach a high standard of uniformity. Yet, *in the garden, small* variations of height, habit and colour seem desirable and make the plants more interesting. There is also the possibility that a greater emphasis on the desirability of some variation would lead to the increased use of the *second generation (F2) hybrids*, which are at least half the price of the F1s.

## Plant of the Week

*(Hydrangea Génèrale Vicomtesse de Vibraye)*

This is one of the most reliable varieties of Hydrangea macrophylla for producting blue flowers in soil that is *acid and for flowering outdoors after a* hard winter. Many hydrangeas only flower from young shoots produced from the terminal buds left the previous autumn, and if these are destroyed by frost only new shoots without flowers will result. Vibraye will also flower from shoots made lower down the stems. It has a ball-headed type flower that is not *large but there are plenty of them* and the colour is excellent, provided the soil is at least slightly acid. In limey, alkaline soil, the flowers will be pinkish mauve. Vibraye is reasonably hardy, likes plenty of water in summer, and, because of its ability to flower on branch stems, can be pruned in winter. AH

# A society of fern friends

FERN SEEDS, *it was* once believed, were so *seldom* seen that carrying one in one's pocket or purse conferred invisibility on its owner; a neat trick that could have saved H G Wells' Invisible Man endless laboratory toil.

This is the sort of esoteric lore filed away by the British Pteridological Society, which this year celebrates its centenary. Pteridology is the science of ferns, and the society owes its inception to the mid-19th century discovery that native *ferns* in the wild were producing variations that would make *desirable* garden plants.

The realisation also led to a Victorian *fern* craze and the publication of a vast number of books on the plants. In his preface to *The Fern Garden* (1860), the (male) author, Shirley Hibberd, wrote cynically: "Almost everybody has written a book on ferns, it having become the fashion to consider a knowledge of the subject rather a disqualification than otherwise."

Numerous households boasted their own ferneries or grew ferns in hermetically sealed containers. Fern cases, also known as Wardian cases *or terraria*, were as much a fixture of the Victorian parlour as potted *aspidistras or concealed* piano legs.

The cases were named after Dr Nathaniel Bagshaw Ward, an East End general practitioner who wanted to encourage his working-class patients and neighbours to take up window-gardening, but was irked by the smoky atmosphere of the district.

When he noticed *the chance* sprouting of seedling plants in a bottle in which he had placed a chrysalis, he conceived the idea of building hermetically sealed containers.

In 1833 he sent two cases of growing ferns and grasses to Sydney, where they were refilled, *the contents subsequently* reaching England still alive without having been watered, in spite of exposure to snow and temperatures of 20°F off Cape Horn and 120°F on the Equator.

Three years later, the botanist Sir William Jackson Hooker, *later to become* director of Kew Gardens, published an account of Ward's discovery, calling it "an improved method of transporting living plants." Ward issued a pamphlet on the "Growth of plants without open Exposure to Air." He pointed out that in a properly *constructed container* any amateur could create an indoor garden that would need no attention for up to 20 years.

The great advantage of growing ferns in these conditions, whether in Wardian cases or in so called bottle gardens, was that they were protected against the hazards to which most house plants were exposed: sudden temperature changes, dust, and, latterly, central heating.

Unadorned Wardian cases resembled glass aquaria with sheet-glass lids. The Victorians, however, were fond of transforming them into huge *ornaments*; the terraria. These were basically indoor greenhouses designed to *stand* on bureaux or table-tops.

Some were bell-shaped. The most elaborate were miniature versions of the Crystal Palace or the Palm House at Kew. Many were surmounted by tall lanterns, while others boasted miniature ponds and fountains, and imitation rocks made of *cement-covered coke*. Most had fronts that could be opened like the facades of dolls' houses. Some were heated by gas flames or hot water, periodically renewed. There were even cases that could be wheeled from room to room on castors.

*Itinerant* plant-sellers, affectionally known as Botany Bens, scoured the countryside for ferns and travelled from door to door hawking them from baskets slung on their arms. A great deal of time and money was devoted to the breeding of feathery, crested, tasselled and leafy forms of common *ferns*. Unfortunately the Botany Bens appears to have collected them so enthusiastically that the plants suffered *a depletion of natural* stocks from which they have possibly *never recovered*. The rusty-back *Asplenium ceterach*, and the true maidenhair, *Adiantum capillus-veneris* were probably far more widespread before Victorian times than they are now.

Fern thefts, presumably by Botany Bens and others, seem to have been commonplace. Under the heading, "Fern pirates", a letter appeared in an 1868 issue of the *Western Morning News* from the owner of Devon's Okehampton park, which she had opened to the public. Ferns for which the region was famous, she reported, were being "stolen wholesale." She had seized four hampers prepared for the London markets. Another large hamper containing 78 roots and addressed to a Covent Garden gardener had been stopped *at the railway station*. "I hear", she wrote, "such hampers are at every station waiting to be filled and sent to gardeners at a distance."

The first British Pteridological Society was formed in 1871, its officers and members including most of the well-known (and legal) fern-collectors of the day, but had a *short life*. In *1891 the present* society, originally for northern *collectors*, was *founded* at a meeting in a Mr Wiper's rooms at Kendal in the Lake District. Its aim was to harness enthusiasm and interest in ferns and the related clubmosses and horsetails. The annual subscription was five shillings and each year a meeting was held on *August Bank Holiday* to discuss business matters, listen to a talk by a society member and, of course, hunt for ferns in their native habitats.

One contributor to the society's annual reports, C T Druery, founded the British Fern Gazette. With a phenomenal knowledge of ferns and their varieties, he made *crucial discoveries* about their sexual generation that led to a new botanical investigation field. Today the society boasts an international membership.

***Ivor Smullen***

The plants that aroused Victorian passions

ARTS

Smouldering: Kelly Hunter as Lola Alastair Muir

# The other angel

WHEN Heinrich Mann wrote *Professor Unraat Oder Das Ende Eines Tyrannen* in 1905, it signalled that 1890s Decadence had at last arrived in Germany. Now it has reached The Other Place in Stratford-Upon-Avon in Pam Gems' adaptation, *The Blue Angel*, directed for the RSC by Trevor Nunn.

*The Other Place* has been rebuilt since September 1989. *This is a conservative choice* for the reopening; the story is *already tried*, tested and out of copyright. *Der Blaue Engel* (1930) is a classic of Weimar cinema, although its American director, Josef von Sternberg, was on loan to the German State film company Universum Film Aktiengesellschaft from Paramount; in it, Marlene Dietrich turned sexual vice European.

The story is an archetype: Professor Raat is a middle-aged schoolmaster who becomes besotted with a Hamburg nightclub chanteuse, Lola; he marries her, and permits himself to be humiliated as her stage partner. *Der Blaue Engel* allowed the European middle-class to frown at his foolishness, and the New World to smile knowingly at his rediscovered sexuality. The 1991 Gems version keeps the social *ostracism* and the sexual obsession; but now faces a cross-cultural audience which either inverts that previous reaction, or finds the issue wanly obsolete. Here in *The Blue Angel*, Gems introduces a new issue by having the Professor blackmail his way back to favour with the peers who have rejected him; eventually he is double-crossed and dies in Lola's arms.

The wonderful Friedrich Holländer and Mischa Spoliansky songs, which punctuate the action, allow the plot to be as *flimsy* as Lola's stage costumes, hanging by the odd suspender yet making an apparently substantial evening. Noel Coward knew the potency of cheap music; here the songs are precisely deployed when the plot slips. "Nimm'dich in acht vor Blonden Frauen" ("Beware Blondes") and "Jonny", both by Holländer and sung by Lola, are showstoppers and show revivers.

Kelly Hunter as Lola sings, dances, flirts and smoulders; her fine performance keeps the show together. Opposite her, Philip Madoc as Raat plays a character stiffer than his *starched collars*; his *timing* is exact, his gestures apt and subtle. The nightclub is peopled by a cast of vaudevillians, all rouge and enterprise: *fat* women eating to stay in work, a temperamental strongman with an off-colour python, a mute clown are presided over by a raddled master of ceremonies and *"prestidigitateur extraordinaire"*, well played by Sidney Livingstone.

Nunn's direction is impeccable; the ensemble scenes seethe with energy, and the tense schoolroom is controlled to suit Madoc's stern, forbidding style. Nunn has never shied from doing the obvious and making it work brilliantly: to conclude the evening, Lola sings "Ich bin von Kopf bie Fuss auf Liebe eingestellt" ("Falling in love again"), sitting on the piano, in a spotlight, alone and faltering.

*The Blue Angel* inevitably feeds off the popularity of *Der Blaue Engel* and features the particular talents of Hunter and Madoc. This play of the film of the book makes an enjoyable evening, but is too far from its originals to deliver the social and psychological comment offered by them. At the moment it is a vaudeville act: songs and jokes lead by a surefooted director.

*The revamped Other Place* lacks the inconvenient charm *of its predecessor*; the shape of the theatre remains a two-tiered three-sided square, but now the facilities are improved, and Michael Reardon's spacious building should not date too quickly. One hopes it will endure as long as Heinrich Mann's story.

**Andrew St George**



Edinburgh Festival

# Graffiti on the Parthenon

***Clement Crisp** deplores Béjart's reworking of Wagner*

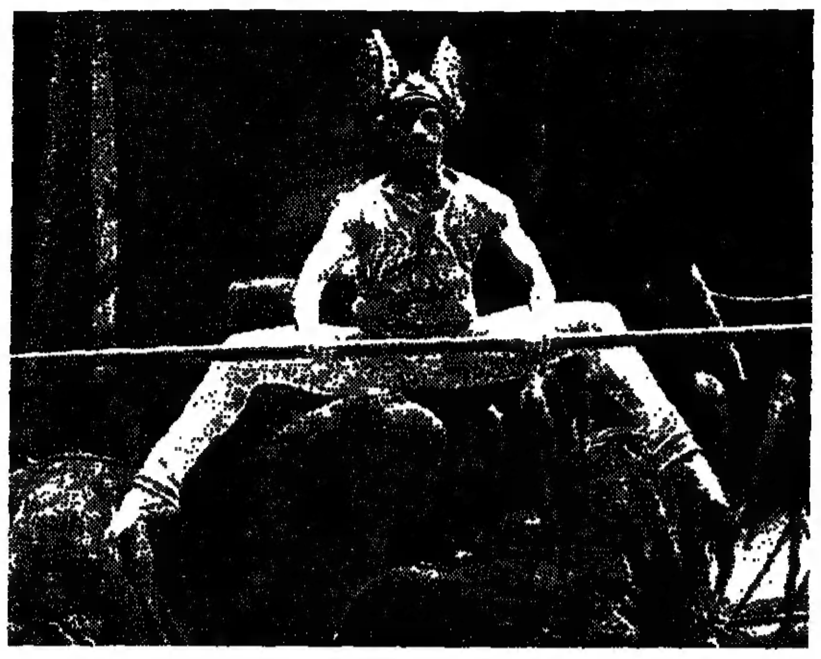
I HAVE long treasured a newspaper report from a magistrate's court, in which a man was accused of "administering a noxious thing" to some unfortunate creature. The good citizens of Edinburgh might feel like instituting similar proceedings against the Berlin Ballet. On its first visit to the Festival the troupe has brought a very noxious thing indeed: Maurice Béjart's *Ring round the Ring*, a Wagnerian fantasy of *stupefying length* (4¾ hours with one interval) and numbing pretensions.

*Béjart provides a programme note* in which he states that his aim is not to create a ballet about *The Ring*, or to re-tell its plot. He then proceeds to do just that, in a manner which followers of his work for the past 30 years will find all too familiar, the rattle of oh-such-clever production ideas a counterpoint to vastly unilluminating dance. Béjart has ever had a fondness for grappling with huge themes. He is the Big Daddy of artistic wrestling, able to floor the most intractable subjects (the French Revolution; Petrarch; Faust; Nijinsky; the Mediterranean have all *submitted after one bout*), and the *Ring* presents no problems at all. Except, of course, that it is a monument complete unto itself, and that what Béjart does is merely graffiti on the columns of the Parthenon.

His procedure is to tell in short form the events of the tetralogy. Modern dress is *de rigueur* – we sense the shadow of Patrice Chéreau – and the action is hustled along by Michael Denard as narrator (in German, with hurried surtitles which at least help one to miss some of the *fatuities on stage*). The score is shared – to coin a phrase – *between passages from a* superb recording of the operas (the programme *does not identify this*), and the *pianist* Elizabeth Cooper, who not only plays with commendable verve, but is also called upon to act like the Crummles's Infant Phenomenon throughout, registering more emotion than one might meet on a busy day at a drama school.

The elisions and Béjartian glosses, the brutalisation of score and narrative, would be wearisome to relate. Wagnerites must cringe at the hideous shifts between orchestral recording and crashing piano continuation (or mad-cap changes) of the score. But laughter rather than anger should greet moments as bathetic as that when Brunnhilde (the Valkyries shown as frog-women in silly hats and pink point *shoes) submits to Wotan by offering* him her shoes, or when Siegfried's funeral-pyre music finds Brunnhilde and Loge enjoying a ball-room sequence. At times of particular despair during the evening – *the minutes flying like hours* – I wondered if Béjart were trying to be Anna Russell, but her wit (and her musical sensibilities) were nowhere in evidence, though the placing of Brunnhilde upon a grand piano to represent her fire-girt rock was a truly lovely and Russell-ish moment.

And so it went on, and on. And on. Peter Sykora's brave design shows the stage as an arena backed by mirrored panels, with costumes that range from *the urban and dull to old* Bayreuth traditional. (Fafner, as a looming Kabuki figure *on stilts, is very fine*). A large *cast is deployed, and the Berlin troupe* (with what I assume are guests from *Béjart's company) are tirelessly devoted* to their tasks. Most labour in vain to *breathe life into the tics and platitudes* that are the sole movement identity of these gods and *humans*. I saw, *on* Thursday night, two gifted young Kirov artists – Julia Makhalina and Igor Zelensky – going to the bad as Fricka *and Donner. It was* Peter *Schaufuss* (director of the company) who dominated *the staging* as Alberich. His performance was astonishing in its dark*ness and sense of frustrated ambition* – I have never seen him more powerful – and the only moment in which Béjartian procedure seemed to me in any way valid was in the scenes between Schaufuss and Martin James as a no less compelling Hagen, where the music's voice found credible physical expression.



Patrick de Bana as Wotan

At the close of this preposterous evening, richly burdened with Béjartian mannerism – bare-chested boys, bearing coloured fans; outbreaks of winsome capering that pass for either merriment or malice – there is the sense of having been cheated. *The Ring* has been guyed. A few sections of uninventive choreography have been embedded in a morass of wilful production ideas. Many able dancers have been put through the flaming hoops of Béjart's theorisings. The score has been turned into "gems from Bayreuth", not unlike Chabrier's *Ring* quadrilles. Towards the end of the first two-hour section the surtitles observe: *There is only one thing to wish for – the end*. As the final curtain at last seems a possibility, another message flashes up: *I'm leaving this madness for ever*. Truth will out.

*The programme book*, yet again, is inadequate. There is no list of the company, *no information about the dancers*, no indication as to which recording is used in the performance. The Festival must do better.

# Non-stop Sessions

JOHN SESSIONS' one-man show *at the Haymarket* is terrific. If you want to see how one individual can fill a relatively large, traditional theatre, see this. If you want to see the best that a stand-up comic can do, that is another reason for going. A third might be if you like utterly zany cultural eclecticism, for that is what this is.

*Travelling Tales* is written and performed by Sessions himself. We already knew from his previous performances of Napoleon that he had a huge range and imagination. This production goes beyond a single empire. *It starts with the* creation of the world with Sessions sitting high up on the umpire's (or God's) chair: "Well, we got a few things right, like Shakespeare." Then it whizzes around the cultural history from the primeval to the ultra-modern.

I would defy anyone to catch every single reference, but here are a couple of recurrent strands. One is the animals of the jungle trying to make the cover of the National Geographic. "I'm a jaguar, and I've never made it." It seems that the tree frogs win all the time. "If you meet a Prince, it's ten-to-one he's *been a frog*." Once you're in the rain forests of Brazil, it's a simple move to Robert De Niro. "Why don't you make the greatest ecological movie of all time?" De Niro is shipped off to England "like Hamlet" to play with the Trevor Noble lot at Stratford-on-Sea. Those are the Hollywood, glossy magazine images.

The second strand starts in Vienna 1907 with Freud, Hitler, Mahler and other distinguished names of the city at that time. Freud sends the budding revolutionary and the composer to America to get them out of the way. Hitler does not like the *Atlantic*. *"Look at that sea splashing about. What does it want? Should be covered in* tarmac." The young Adolf arrives in Hollywood where he announces himself as "an extremely funny comic from Vienna".

In 1932 he catches up with *Mein Kampf* and A J P Taylor's *Origins of the Second World War* in a bookshop. In the end he is sent to entertain Saddam Hussein with the blessing of General Schwarzkopf.

Mahler meanwhile has taken the wrong bus to the opera in New York and is being taken to the opera club, a joint in Minnesota. Revealing himself as a musician, he is asked to sing on the way. Songs of the Earth does not go down too well.

There is lots more besides. All this, remember, is played by Sessions himself with only screen images in the background to help. It is the juxta*position of the images* that makes it so zany. Sessions does it with breath-taking speed and changes of character and voice. Some people might find the eclecticism irritating, even pretentious. I found it a non-stop delight. The show is presented by the Renaissance Theatre Company and directed by Tim Supple.

**Malcolm Rutherford**

# Tito the true

THIS YEAR has seen any number of productions of *La clemenza di Tito*. The incentive to mount the opera has been the Mozart bicentenary celebrations, but its re-appearance suddenly looks timely for another reason, as its theme is that of an abortive coup and its aftermath, in which the Emperor Titus shows clemency to his betrayers.

It has been remarkable how each of the world's major operatic centres has stayed true to itself in interpreting Mozart's political opera. Salzburg, reviving its production of a couple of years ago, *paid for big stars and an empty, pompous* setting. Berlin's Deutsche Oper *weighed the opera down with political* symbolism. Glyndebourne, essaying the work for the first time, preferred an oblique production, over-rated in my opinion.

The opening night of this new production at the King's Theatre on Thursday marked the first visit by Scottish Opera to the Edinburgh Festival since 1984. It was an important date and the company played safe by taking up its turn to present a joint production shared with Houston Grand Opera, where the staging had already been counted a success. How then does their *La clemenza di Tito* find a place for itself on the international operatic map?

Most prominently, I would suggest, in *one distinctive area. This was the musical* performance. Nicholas McGegan *conducted* the Scottish Opera Orchestra with such a bracing grip on sounds and *rhythms that it was tempting to* go down to the pit and see if they were not really authentic instruments that were playing. In an opera that is all about the pressure of political tensions, his drive and intensity were to be of critical importance.

The more so as the production itself would seem to have lost some of its cutting edge on the passage across the Atlantic. Stephen Wadsworth, the producer, has set the opera among Roman ruins at about the time of its composition. There is nothing overtly wrong in choosing the milieu of the French revolution, where the ideals of *liberté* and *fraternité are already well installed; it is* just that the opera's grand and tragic *people are reduced to everyday stature*.

In this setting the Emperor Titus becomes a mild man of letters, an enlightened ruler who mixes easily with his subjects. Glenn Winslade played him with a fine air of benevolence and sang Titus's difficult music without strain. Instinctively, I feel that this reading of the role is the right one, although the lonely and irritable figure proposed in Berlin revealed unsuspected depths in the character.

The King's Theatre is an ideal venue for an opera of this scale, and the singers came across well there. Anne Mason made a particularly strong impact as Sextus, getting a real grip on the words (in a new English translation) and making drama out of them. Juliana Gondek was a spitfire Vitellia, though it was only with her last aria that she seemed confident enough to give her voice free rein. Cheryl Barker made her mark as Annius. *Claire Daniels's Servilia and* Robert Poulton's true Publius com*pleted an able cast*.

Salzburg had the exciting singers; Berlin put forward the production which made one think about the opera anew. But Scottish Opera has acquired a *Clemenza di Tito* which is serviceable and refrains from doing Mozart any untoward violence. No fireworks, but then those were to come later. Edinburgh's annual firework display really is one of the best: the sight of those silver rockets dancing an elegant Polonaise to Chaikovsky's *Eugene Onegin* is not to be missed!

**Richard Fairman**

# Light, bright Mozart

THIS LATEST instalment of "Mozart Now" at the Festival Hall was a concert performance of *Die Entführung aus dem Serail*, *energetically* mimed as if the cast had come *straight from a full-dress staging* – as perhaps they had, *though here they were con*fined to evening dress.

They had a fair amount of playing-space for the comedy, raised behind John Eliot Gardiner and his English Baroque Soloists. The arrangement put the voices at a slight disadvantage: particularly in the breezier ensembles, they were liable to disappear into the orchestra. When the DG Archiv recording comes out next year, we shall hear more of them.

Evidently Gardiner had wanted light, flexible voices, attuned to *his reading of the* score – bright and generally *fleet, though not hasty. Only* the "Vaudeville"-quintet at the end *seemed rushed*, as if it were just an up-tempo epi*logue; those forgiving declara*tions by the lucky ex-captives sound more gracious at the usual gentler pace. (The final chorus of Janissaries, after all, makes as lusty a close as could be.) But nobody seemed uncomfortably pressed: Cornelius Hauptmann's jolly-sinister Osmin kept up to the mark with notable ease, though his bass register – *just* reaching the most subterranean notes – *boasted the proper amplitude*.

His duet with Stanford Olsen's Belmonte, and then their trio with Uwe Peper's *Pedrillo, had plenty of athletic* excitement. Most onstage ren*ditions are more cautious, or* else just untidy. Olsen dis*played a tenor of attractive* promise, not a large voice but *but sweet and cultivated* (with excellent German for the spoken dialogue). His "O wie ängstlich" caught the exact note of tremulous longing, where your average Belmonte treats the aria as a lyrical exercise, and he did no less for "Wenn der Freuden Tränen"; it was not his fault that "Ich baue ganz" seemed as usual to stop the action in its tracks.

Peper's practised Pedrillo was fine, eager and lively. His Blondchen, the young American Cynthia Sieden, was true-voiced and charming – for the moment a lovely soubrette, probably capable of much more. The Czech Luba Orgonasova was a Constanze of *strength and subtlety, generous* of feeling. The absence of steel in her *"Martern aller* Arten" seemed no loss; in fact *she and Gardiner treated* that showpiece to a bold variety of dramatically expressive tempi, and it worked like a "melodrama" in the antique sense. Perhaps the Neue Mozart-Ausgabe score gives documentary justification for this interesting treatment.

In the spoken role of Pasha Selim, Hans Peter Minetti offered a leisurely, expansive characterisation, as German actors like to do. The little chorus was of course Gardiner's Monteverdi Choir, who were allowed some pieces of the visible action. As expected, the English Baroque "period" instruments lent fresh colours to innumerable passages (and there were new touches from the new edition). Among their expert soloists, Rachel Beckett's *piccolo whizzed away with* special brilliance: one had not *quite realised before how vital* it is in this score. All in all, a delectable *evening*.

**David Murray**

Radio

# The science of life

AS IF *moved by the* news that the A-level *results had shown* an increasing superiority of arts entrants over science, Radio 4 has embarked on a series of science-fiction plays. They began on Monday with Huxley's *Brave New World*, dramatised by Stephen Mulrine. The neo-sociology of the world 600 years from now doesn't seem as exciting today as it did in the 1930s, but the alarms of Linda and her son John ("the Savage"), when *transferred* from a quasi-1930 New Mexico *to the* contemporary modern scene, are dramatic and sometimes amusing. Frances de la Tour was moving as Linda, who had known both civilisations; Gary Cady was effective as the Savage and Moir Leslie touching as Lenina, the with-it girl he would like to have loved. (A new edition would rename her Yeltsina.) Marilyn Imrie directed.

*Kaleidoscope* on Wednesday produced *not only an interesting* talk by Nigel Andrews on *the film Prospero's Books* but a dramatised story by Ray Bradbury about the crew of a wrecked space-ship, very sentimental but careless about science. Two more SF plays to come next week.

Science on Radio 3 as well, where *A Passion for Science* was an engaging talk between scientists Lewis Wolpert and Jonathan Miller. Dr Miller could not help introducing art, but Professor Wolpert hardly matched him. He professed himself a literary failure, and the arts he spoke of were sociology, psychology and so on, which I would call science. Most interesting to me were *the concluding exchanges* about science and religion. Neither accepted any kind of "supernatural" entry in scientific processes, yet they agreed that researchers into the highest physical science were often committed Christians.

Art was served by Radio 3 the same evening with its final Divine Comedy, John Mortimer's Mr *Luby's Fear of Heaven*. Mr Luby, lecturer and *atheist, had fallen* from a balcony and found himself in an *Italian hospital under a ceiling* that represented Heaven as painted by Lorenzo Lotto, so Heaven was where he feared he must be. As he disbelieved in it and disapproved of all he had heard about it, he was pretty troubled. Mortimer's jokes and Sir John Gielgud's playing were a beautiful match, and I enjoyed Peter Woodthorpe as Fletcher in the next bed, knifed by a chemist whose wife he had been after. The production, dating from 1976, was directed by John Tydeman.

And before I leave the drama, a word for LBC's version of Conrad's *Heart of Darkness*. *This* goes out *nightly*, five minutes at a time. It is not easy at first to get involved in these short instalments, but (as usual with *the production* and direction of Tim Crook and Richard Shannon, masters of the art) the original story is closely followed. I have enjoyed what I have heard.

There is more to life than art and science, and for the last couple of weeks I have heard Radio 4's *In Business*, on Wednesday. Last week this featured a series of interviews with Asian businessmen about their relationship with BCCI; this week, there was an account by Peter Day of a garden-party given by Beryl Bakewell, an Englishwoman who *manages a branch of a German* bank in Ingolstadt, where they *make* Audis. *Neither staff nor* customers found anything unusual in her *appointment*; "I don't mind if she's German or Spanish or anything," one said. Audi is actually keen on taking on non-German – *European* – workers.

**B.A. Young**

Chess No 887:
1 Rg1. If Kd5 2 Ka5 Kc5 3 Qd4. If Kd3 2 Ka3 Kc2 3 Qc4. If Kxf5 2 Kc5 Ke6 3 Qg4. If Kxf3 2 Kc3 Ke2 3 Qe4. If Kf4 2 Kc3+ and 3 Qg4.

# TELEVISION

## SATURDAY

### BBC1

6.45 Open University. 7.30 Pinocchio. 7.50 Kissyfur. 8.15 The 8.15 from Manchester. 9.52 Weather.

**9.55 Grandstand.** Including 10.00 Athletics including 11.00 women's 1,500m final. 11.20 men's 3,000m steeplechase final. 12.45 Rowing: World Championships. 1.25 Golf: The European Open. 2.00 Racing from Chester: The Tricity Bendix Princess Handicap. 2.05 Motor Sport: British Touring Car Championships. 2.30 Racing: The Tricity Bendix President Nursery Handicap. 2.35 Golf. 3.00 Racing: The Tricity Bendix Series Six Chester Stakes. 3.05 Golf. 4.15 Athletics. 4.35 Final Score. Times may vary.

**5.00 News; Weather.**

**5.10 Regional News and Sport.**

**5.15 Only Fools and Horses.** Classic comedy starring David Jason and Nicholas Lyndhurst.

**5.45 The Russ Abbot Collection.** An opportunity to look back at some of Russ Abbot's best comedy sketches over the past five years. A new series begins on Friday next.

**6.20 Film: Indiana Jones and the Temple of Doom.** Harrison Ford returns as the 1930s archaeologist and adventurer. This time he embarks on a quest to save a small village by retrieving the sacred Sankara stone. Also starring Kate Capshaw (1984).

**8.15 Birds of a Feather.** New series. Comedy starring Pauline Quirke and Linda Robson.

**8.45 The House of Eliott.** Beatrice and Evangeline Eliott are left virtually penniless when their doctor father dies. First in a 12-part period drama. Starring Stella Gonet and Louise Lombard.

**9.40 News and Sport; Weather.**

**10.00 Film: The French Lieutenant's Woman.** A passionate affair changes the lives of a Victorian gentleman and a governess abandoned by her French lover. Starring Meryl Streep and Jeremy Irons (1981).

**12.00 Film: The Flesh and the Fiends.** In Edinburgh in the 1820s, Dr Robert Knox is scandalising his more orthodox colleagues by encouraging the trade of the body snatchers. Starring Peter Cushing and Donald Pleasence with George Cole, Billie Whitelaw and Dermot Walsh (1959).

**1.30 Weather.**

**1.35 Close.**

### BBC2

6.50 Open University.

**2.45 Mahabharat.** (English subtitles).

**3.25 The Sky at Night.** Polaris, the Pole Star.

**3.50 Film: The African Queen.** When her home is destroyed by invading Germans, prim missionary Rose Sayer finds an unlikely saviour in Charlie Allnutt, the gin-drinking captain of the African Queen. Classic drama starring Katharine Hepburn and Humphrey Bogart with Robert Morley and Peter Bull (1951).

**5.30 The Shadow.** Two farmers, from Perthshire and Portugal, shadow each other at work. Donald McGillivray, who rears sheep, goats and cattle, as well as raising crops, is impressed by the subsidies to which Paula Alentejo has access to help her run a farm whose mainstays are cork and sheep. She in turn is overwhelmed by his sophistication and both agree on the need to improve the treatment of livestock.

**6.00 Mahler 8.** Mahler's Eighth Symphony performed by The London Philharmonic Choir, The London Symphony Choir and Eton Boys Choir. Conducted by Klaus Tennstedt with soloists Julia Varady, Jane Eaglen, Susan Bullock and Trudeliese Schmidt.

**7.35 News and Sport; Weather.**

**7.50 The Last Days of Leningrad.** A look at Russia's most beautiful city, now returning to its former name, St Petersburg. This programme marks the 50th anniversary of the Siege of Leningrad in which one million inhabitants were killed.

**8.00 Timewatch Special.** A look at the German occupation of Leningrad which began in 1941 and lasted for 900 days. When the German army attacked, they encountered unexpected and fierce resistance, and so began the blockade of Leningrad.

**9.30 World Athletics Championships.** Three of the four fastest men in the world this year are Japanese, but they will face still competition from the other contenders in tonight's men's marathon. Introduced by Desmond Lynham.

**12.35 Close.**

### LWT

6.00 TV Am. 9.25 Motormouth. 11.30 The ITV Chart Show. 12.30 pm Superman.

**1.00 ITN News; Weather.**

**1.05 LWT News; Weather.**

**1.10 Saint and Greavsie.**

**1.55 Cartoon Time.**

**2.15 Film: The Spirit of St Louis.** James Stewart stars as Charles Lindbergh in this account of his early life and his historic trans-Atlantic solo flight in 1927. With Murray Hamilton and Patricia Smith (1957).

**4.45 Results Service.** The latest footballing scores and stories.

**5.00 ITN News; Weather.**

**5.05 LWT News; Weather.**

**5.15 10 Sharp! New series.**

**5.30 Film: Baywatch: Panic at Malibu Pier.** David (Knight Rider) Hasselhoff throws off his clothes to star as Mitch Bucannon, a veteran coast guard who oversees lifeguards on bikini-packed Californian beaches. Feature length pilot which launched the TV series. With Parker Stevenson (1989).

**7.15 It'll Be Alright on the Night 6.** Classic moments from LWT's 21 years of top entertainment shows, introduced by Denis Norden.

**8.15 Film: A View to A Kill.** James Bond battles against a sinister villain (Christopher Walken) who plans to destroy the heart of the world's computer industry – Silicon Valley in California. Roger Moore makes his final appearance as Agent 007 with Grace Jones and Tanya Roberts (1985).

**10.40 ITN News and Sport; Weather.**

**10.55 LWT Weather.**

**11.00 Film: Porky's.** Madcap comedy about the amorous adventures of a group of girl-crazy teenagers in South Florida, whose sole aim in life is to sample the pleasures of the flesh as often as possible. Starring Dan Monahan, Mark Herrier and Wyatt Knight (1982).

**12.55 1991 UK Triathlon:** Over 200 contestants compete for the Tayside Trophy; ITN News Headlines.

**2.00 Bhangra Beat; ITN News Headlines.**

**2.30 Coach; ITN News Headlines.**

**2.55 Baseball 1991.**

**4.00 The Hit Man and Her.**

### CHANNEL4

6.00 Early Morning. 9.30 Class by Class. 10.00 Check Out 91. 10.30 Wagon Train. 11.30 Australian Rules Football. 12.30 pm The Munsters.

**1.00 Film: The Gay Sisters.** Three sisters refuse to sell their New York mansion to make way for development. Starring Barbara Stanwyck, George Brent, Geraldine Fitzgerald, Nancy Coleman and Gig Young (1942).

**3.05 Channel 4 Racing** from Sandown. Including the 3.10 Bernard Sunley Charitable Foundation Graduation Stakes, 3.40 Texas Homecare Stakes (H'cap), 4.15 Variety Club Gold Heart Maiden Stakes, 4.45 Palm Beach Club Stakes (H'cap). Introduced by Derek Thompson with commentary by Graham Goode.

**5.10 Brookside.**

**6.30 The Big 5.** Wheelchair basketball tournament. Telford Celtics v Oldham Owls, and Sheffield Steelers v Team Thistle. Introduced by Martin Duffy.

**7.00 The World This Week.** Nik Gowing and Sheena McDonald present international news and views.

**8.00 The World of the Beaver.** An intimate study of Castor, a beaver living among the Rocky Mountains. Stunning underwater photography shows how fearless the beaver is in its own element. Previously shown on ITV.

**9.00 Film: And The Pursuit of Happiness.** Louis Malle's absorbing documentary about the differing aspirations of immigrants in the United States. The experiences of the immigrants goes from elation at the achievement of freedom, to nostalgic longing for their homeland (1986). Malle is also the narrator.

**10.30 As It Happens.** Pete McCarthy reports by satellite from Tallinn, capital of Estonia, as this Baltic republic prepares for independence.

**12.00 Manhattan Cable.**

**12.50 The Oprah Winfrey Show** with Dolly Parton, who talks about her music, her philosophy and her 25-year marriage to the same man as well as discussing her image, her latest album and plans for a new movie.

**1.35 Close.**

### REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

**ANGLIA:** 12.30 Animated Shorts. 1.05 Anglia News. 1.55 The A-Team. 2.55 Father, Dear Father. (1973) 5.05 Anglia News, Sport. 5.20 Cartoon Time.

**BORDER:** 12.30 Munsters Today. 1.05 Border News. 1.55 The Silk Road. 2.50 The Secret of the Incas. (1954) 5.05 Border News and Weather. 5.15 Cartoon Time. 11.00 The Granada Match. 11.55 The Stud. (1978)

**CENTRAL:** 12.30 Champions. 1.05 Central News. 1.55 The Spectacular World of Guinness Records. 2.20 Cartoon Time. 2.35 The Assassination Bureau. (1968) 5.05 Central News. 5.15 Central Sports Special.

**CHANNEL:** 12.30 Blockbusters. 1.05 Diary Dates. 1.55 The Life and Times of Grizzly Adams. 2.50 Hannibal Brooks (1969) 5.05 Channel News. 5.10 Bertie the Bat. 5.15 Puffin's Pla(i)ce. 5.20 Cartoon.

**GRAMPIAN:** 12.30 Beatha'n Fhasaich. 1.05 Grampian Headlines. 1.55 Fionnan Feoir. 2.25 Battleflag. 4.45 Scotsport Results. 5.05 Grampian Headlines. 5.10 Criomagan. 5.15 Put it in Writing. 11.00 Kojak. 11.55 The Stud. (1978)

**GRANADA:** 1.05 Granada News. 1.55 Half a Sixpence. (1967) 4.35 Cartoon. 5.05 Granada News. 5.15 Granada Goals Extra. 11.00 The Granada Match. 11.55 The Stud. (1978)

**HTV:** 12.30 Press Your Luck. 1.05 HTV News. 1.55 Kidnapped. (1971) 3.50 The Life and Times of Grizzly Adams. 5.05 HTV News and Sport.

**HTV Wales as HTV except:** 12.30 The Munsters Today. 5.20 Cartoontime.

**SCOTTISH:** 12.30 My Secret Identity. 1.05 Scotland Today. 1.55 Cartoon Time. 2.15 Those Magnificent Men in Their Flying Machines. (1965) 5.05 Scotland Today. 5.15 Cartoon Time. 11.00 Baker and Maguire at the Festival.

**TSW:** 12.30 The South West Week. 1.05 TSW News. 5.05 TSW News and Sport. 5.15 Gus Honeybun's Cartoontime. 10.55 TSW Weather.

**TVS:** 12.30 Blockbusters. 1.05 TVS News. 1.55 The Life and Times of Grizzly Adams. 2.50 Hannibal Brooks. (1969) 5.05 TVS News. 5.15 Cartoon.

**TYNE TEES:** 12.30 Peppino. 1.05 Regional News. 5.05 Northern Life Special. 5.15 Cartoon Time. 11.00 Kojak. 11.55 The Stud. (1978)

**ULSTER:** 12.30 The Intruders. 1.05 Ulster Newstime. 5.05 Ulster Newstime. 5.15 Cartoon Time. 10.55 Ulster Newstime. 11.00 The Granada Match. 11.55 Porky's. (1982)

**YORKSHIRE:** 12.30 Heidi in Town. 1.05 Calendar News. 1.55 Soccer in the Seventies. 2.25 The 7th Dawn. (1964) 5.05 Calendar News. 5.15 Cartoon Time. 10.55 Local Weather.

**S4C Wales as Channel 4 except:-** 9.30 Slot Sadwrn. 12.30 Sixthirtysomething. 6.20 The Wonder Years. 7.00 Newyddion. 7.10 Gemau Heb Ffiniau. 8.40 He-Play: The Dogs. 8.55 Lacombe Lucien. (1974) 11.30 Frank's Place.

## SUNDAY

### BBC1

6.50 Open University. 7.15 World Athletics Championships. 10.30 Greenbelt. 11.30 See Hear!

**12.00 Some Enchanted Evening.**

**12.30 Country File.**

**12.55 Weather for Farmers.**

**1.00 News; Speaking Volumes.** Books by Jackie Collins, William Goldman and Philip Roth. Plus a look at the art of travel writing.

**1.45 Cartoons.**

**2.00 EastEnders.**

**3.00 Dallas.**

**3.45 Film: Midnight Lace.** A voice in the fog, frightening phone calls and a near-fatal accident leads the wife of a wealthy financier to believe her life is in danger. Unfortunately her family and the police doubt her word – and her sanity. Starring Doris Day (1960).

**5.30 Cartoons.**

**5.45 Safari UK: The Living Isles.** The speed of today's agriculture has outpaced many farm creatures such as harvest mice, and now only opportunists like the fox and the rook survive the relentless cycle of the plough. Julian Pettifer investigates.

**6.25 News.**

**6.40 Songs of Praise.**

**7.15 Keeping Up Appearances.** New series. Starring Patricia Routledge and Geoffrey Hughes.

**7.45 Bread.** New series.

**8.15 Trainer.** New series. Following the fortunes of young horse trainer Mike Hardy. Given the opportunity to train horses for a millionaire property developer, he sets out to make his name in the glamorous and exciting world of racing. Starring David McCallum and Susannah York.

**9.10 News and Weather.**

**9.25 Screen One: Hancock.** New season. The funny and poignant story of Tony Hancock's life in the years after his 1961 success with The Blood Donor. Feature length film starring Alfred Molina and Frances Barber.

**11.25 Everyman.** When does a criminal deserve to die? In California, the members of a jury who convict a murderer have to decide the killer's sentence at a separate trial known as the penalty phase, with two options – life imprisonment or the gas chamber.

**12.05 Mahabharat.** (English subtitles).

**12.45 Weather.**

**12.50 Close.**

### BBC2

6.35 Open University. 12.00 English Romantic Poetry in Italy. 12.25 pm English Whose English? 12.50 Holiday Outings. 1.00 Open University: Care in the Community.

**1.25 Sunday Grandstand.** Introduced by Desmond Lynam. Including 1.30 Athletics: The World Championships from Tokyo. This morning's last eight finals. 2.30 Motor Sport: Round 12 of the British Formula Three Championships. 3.00 Golf: The European Open Championship from Walton Heath. 5.00 Athletics. Further coverage. Times may vary.

**6.00 This Is Your Life.** First in a series of repeats of the programme that became a national institution under Eamonn Andrews and later transferred to ITV. Here Ralph Edwards presents an edition from July 1955. The planned victim learned of his "fate" in advance, so it turned out to be "This is Your Life.... Eamonn Andrews."

**6.30 One Man and His Dog.**

**7.15 Okavango – The Jewel of the Kalahari.**

**8.10 The Last Days of Leningrad: The Return to St Petersburg.** In June this year the people of Leningrad finally rejected the town's 'revolutionary' name and voted to return to its historic title, St Petersburg. This portrait of Russia's former capital follows its inhabitants as they argue and reminisce in the last hours before the referendum.

**9.00 The Last Days of Leningrad: 600 Seconds of 600 Seconds.** A profile of Leningrad's controversial, but popular, current affairs TV presenter, Alexander Nevzorov. The leather-jacketed former stuntman talks of his hostility towards democracy and his links with the KGB.

**9.10 John Sessions' Tall Tales.** Last of six one-man plays written and performed by John Sessions.

**9.35 Golf.** Steve Rider introduces highlights from today's final round in the European Cup from Walton Heath Golf Club.

**10.15 Film: Solaris.** A psychologist is sent to investigate the mysterious events on a space station orbiting the remote planet Solaris. On his arrival he begins to experience strange hallucinations. Starring Donatas Banionis and Anatoli Solonitsin (1972).(English subtitles).

**1.05 Close.**

### LWT

6.00 TV-am. 9.25 The Disney Club. 10.45 Link. 11.00 Morning Worship. 12.00 The Human Factor. 12.25 pm Way of the Lakes. 12.55 LWT News; Weather.

**1.00 ITN News; Weather.**

**1.10 Breadline Britain.** Last in series.

**1.40 Film: El Dorado.** An ageing gunfighter (John Wayne) helps his drunken sheriff friend (Robert Mitchum) to redeem himself and tackle a villainous cattle baron. Western also starring James Caan and Arthur Hunnicutt (1967).

**4.00 Dinosaur!** New series. How the terrible lizards lived, why they died and the extraordinary men and women who have unearthed their thrilling secrets. Presented and narrated by Walter Cronkite.

**5.00 The London Match.**

**6.00 Bullseye.** New series.

**6.30 ITN News; Weather.**

**6.35 LWT News; Weather.**

**6.40 Highway.** New series.

**7.15 You've Been Framed.**

**7.45 A Family of Spies.** Part one of this two-part mini-series telling the true story of John Walker, who dragged his entire family into a web of treachery and deceit when he spied for the Russians for more than 17 years. Starring Powers Boothe and Lesley Ann Warren. Concluding tomorrow.

**9.45 ITN News; Weather.**

**10.00 LWT Weather.**

**10.05 Film: The Tenth Man.** Unusual story about a Nazi prisoner who gives all his worldly possessions to a fellow captive to take his place in front of a firing squad. Based on a Graham Greene parable, starring Anthony Hopkins and Derek Jacobi (TVM 1988).

**11.50 The ITV Chart Show; ITN News Headlines.**

**12.55 New Music.**

**1.55 Film: Blood of the Vampire.** A mad doctor returns to life after being executed and takes control of a lunatic asylum, using the patients as a blood bank for his vampirism. Starring Donald Wolfit and Barbara Shelley (1958); ITN News Headlines.

**3.30 Hodson Confidential.**

**4.00 Police Precinct.**

**5.00 Soap.**

### CHANNEL4

6.00 Early Morning. 8.25 The Sword of Tipu Sultan.(English subtitles). 10.00 Dispatches 10.45 Dennis. 11.00 Owl TV. 11.30 The Lone Ranger. 12.00 The Waltons.

**1.00 Voyage to the Bottom of the Sea.**

**2.00 Film: Sweetheart of the Campus.** A college principal objects to Ozzie Nelson's band playing at a nearby night spot. Also starring Ruby Keeler, Harriet Hilliard, Gordon Oliver and Frank Gaby (1941).

**3.15 Gaelic Games.** Michael Lyster introduces the All-Ireland Hurling Final between Kilkenny and Tipperary, live from Croke Park, Dublin.

**5.05 News Summary; Weather.**

**5.10 Family Pride.**

**5.40 The Three Stooges.**

**6.00 The Absolute Beginner's Guide to American Football.** As the new season kicks off later this evening, Mick Luckhurst and Gary Imlach explain the basic rules of the sport for those new to the game.

**6.30 The Cosby Show.**

**7.00 Equinox.** Cinematic portrait of Niagara Falls which over the years has symbolised the danger, power, beauty and finally degradation of America.

**8.00 Classic Cars.** New series. The world of the enthusiast and semi-professional car collector, covering models from the Ford Cortina to the Cadillac Eldorado. The first programme endures two days of heat and dust at the world's biggest autojumble sale at Beaulieu, where enthusiasts rummage for spare parts for their bubble cars and Bentleys.

**8.30 American Football.** Philadelphia Eagles v Green Bay Packers. Kicking off a new season on Channel 4 with Mick Luckhurst and Gary Imlach.

**10.00 Film: Speaking Parts.** Lisa is in love with Lance, who is in love with his career. Clara is recovering from her brother's death. The link between them all is video in a variety of real and surreal uses. Starring Michael McManus (1989).

**11.45 The Street.**

**12.15 Fontamara.** (English subtitles).

**1.10 Close.**

### REGIONS

ITV REGIONS AS LONDON EXCEPT AT THE FOLLOWING TIMES:-

**ANGLIA:** 12.30 Farming Diary. 12.55 Anglia News. 1.10 Goals Galore. 1.35 The Spectacular World of Guinness Records. 2.00 1991 UK Triathlon Championship. 3.00 Highway to Heaven. 5.00 Off the Peg. 5.30 Heirloom. 6.35 Anglia News. 11.50 Yangtze Adventure.

**BORDER:** 12.30 Gardening Time. 12.55 Border News. 1.10 Border 30. 1.20 The Borderers. 1.50 The Spectacular World of Guinness Records. 2.15 The Old Man and the Sea. 5.00 Scotsport. 6.00 Love 30. 6.35 Border News.

**CENTRAL:** 12.30 Gardening Time. 12.55 Central News 1.10 1991 Biggin Hill International Air Fair. 2.10 Mysterious Island. 5.00 Action Replay. 5.05 Magnum. 6.35 Central News

**CHANNEL:** 12.30 Reflections. 12.35 Les Francais Chez-Vous. 12.50 Tele-Journal. 1.10 An Englishman's Home. 1.55 Woman of Straw. 5.00 The A-Team. 6.35 Channel News.

**GRAMPIAN:** 10.45 Interbang. 11.15 Let's Rejoice. 11.45 Link. 12.30 Jack Thompson Down Under. 12.55 Grampian Headlines. 1.10 Coronation Street. 2.05 The Silk Road II. 3.05 McCloud. 5.00 Scotsport. 6.00 Bullseye. 6.35 Grampian Headlines.

**GRANADA:** 12.25 Young Up Front. 12.55 Granada News. 1.10 The Wonderful World of Disney. 2.00 Black Jack. 5.00 Bullseye. 5.30 Coronation Street. 6.35 Granada News.

**HTV:** 12.30 Survival - The First 30 Years. 12.55 HTV News. 1.10 Heidi. 2.00 HTV Newsweek. 2.30 Big City. 5.00 The Big Fish. 6.35 HTV News.

**HTV Wales as HTV except:** 2.00 Farming Wales.

**SCOTTISH:** 10.45 Heidi in the Mountains. 11.15 Link. 11.30 Sunday Service. 12.30 Right or Wrong? 12.55 Scotland Today. 1.10 Speedway. 2.10 Bowls. 3.10 The Wonderful World of Disney. 5.00 Scotsport. 6.00 Working Miracles. 6.35 Scotland Today.

**TSW:** 12.30 TSW Farming Week. 12.55 TSW News. 1.10 The Middle Years. 1.15 Off the Hook! 1.45 The Spectacular World of Guinness Records. 2.15 The Brave Don't Cry. 5.00 Coronation Street. 5.55 Gus Honeybun's Magic Birthdays. 6.35 TSW News.

**TVS:** 12.33 Jack Thompson Down Under. 12.58 TVS Weather. 1.10 An Englishman's Home. 1.55 Woman of Straw. 5.00 The A-Team. 6.35 TVS News 11.55 The Human Factor.

**TYNE TEES:** 12.25 National Aerobic Championships. 12.55 Regional News. 1.10 Highway to Heaven. 2.10 The Back Page. 2.40 Cricket. 5.00 Bullseye. 5.30 Coronation Street. 6.35 Regional News.

**ULSTER:** 12.30 Gardening Time. 12.55 Ulster Newstime 1.10 American Century. 2.05 Make It Pay. 2.35 Farming Ulster. 3.05 Murder, She Wrote. 5.00 Bullseye. 5.30 Coronation Street. 6.35 Ulster Newstime 10.00 Ulster Sports Results.

**YORKSHIRE:** 12.25 Goals on Sunday. 12.50 Calendar News 1.10 Cricket. 5.00 Cricket. 6.35 Calendar News.

# RADIO

## SATURDAY

**BBC RADIO 2**
5.05 Ronnie Hilton. 9.00 Brian Matthew. 10.00 Anne Robinson. 12.00 Gerald Harper. 1.30 Bob Holness Requests the Pleasure. 2.00 Ed Stewart. 4.00 Kenny Ball. 4.30 Barbershop Style. 5.00 Cinema 2. 6.30 Music By - John Barry. 6.00 Country Meets Folk. 7.00 Two from the Fringe. 7.30 Sounds of the Sixties in Concert. 9.30 Easy Does It. 10.00 The Arts Programme. 12.05 Brian Matthew. 1.00 Night Ride. 3.00 A Little Night Music. 4.00 The Early Show

**BBC RADIO 3**
7.00 Morning Concert.
8.30 News.
8.35 BBC Scottish Symphony Orchestra.
9.30 Record Release.
11.35 Chamber Music from Birmingham.
12.50 Table Talk.
1.00 News.
1.05 Montserrat Caballe.
3.25 The Marvel of Our Century.
4.05 Elgar and Glazunov.
5.00 Jazz Record Requests.
5.45 Third Opinion.
6.30 In the Footsteps of Brahms.
7.30 Proms 1991 (Live).
9.40 Anna.
10.10 Violin Sonatas.
11.30 Peter Paul Nash.
12.00 News.
12.05 Close.

**BBC RADIO 4**
6.00 News.
6.10 Farming Week.
6.50 Prayer for the Day.
7.00 Today.
8.58 Weather.
9.00 News.
9.05 Sport on 4.
9.30 Breakaway.
10.00 News; At Last the Go On Show.
11.00 News; Talking Politics.
11.30 From Our Own Correspondent.
12.00 End of a Line.
12.25 The News Quiz.
12.55 Weather.
1.00 News.
1.10 The Moral Maze.
2.00 News; The Moral Maze.
2.30 Saturday Playhouse.
4.00 The Living World.
4.30 Science Now.
5.00 Singular Scots.
5.25 On the Hour.
5.55 Weather.
6.00 News; Sports Round-Up.
6.25 With Great Pleasure.
7.10 In the Psychiatrist's Chair.
7.45 Classic Serial: The Sea Wolf.
8.45 Kaleidoscope.
9.15 Music in Mind.
9.50 Ten to Ten.
9.59 Weather.
10.00 News.
10.15 The Gardening Quiz.
10.45 Upsetting the Applecart.
11.00 The Tingle Factor.
11.30 The Million Pound Radio Show.
12.00 News; Interlude.
12.43 (FM) Close.
12.43 (LW) As World Service.

**BBC RADIO 5**
6.00 Newsdesk.
6.30 Morning Edition.
9.00 On Your Marks.
12.45 Sportscall.
1.30 Sport On 5.
5.00 Sports Report.
6.00 As Radio 4.
7.10 Cricket Scoreboard.
7.15 Box 13.
7.45 As Radio 4.
10.00 Sport.
11.15 Fanshawe on Five at the Edinburgh Festival.
12.00 Sport.
12.15 Close.

**WORLD SERVICE**
BBC for Europe can be received in Western Europe on Medium Wave 648 kHZ (463m) at the following times GMT:
6.00 Newsdesk. 6.30 Londres Matin: News in French. 6.59 Weather. 7.00 Newsdesk. 7.30 Meridian. 8.00 World News. 8.09 Twenty-four Hours live; News Summary. 8.30 From the Weeklies. 8.45 A Mystical Music. 9.00 World News. 9.09 Words of Faith. 9.15 A Jolly Good Show. 10.00 World News. 10.05 Waveguide. 10.15 Worldbrief. 10.30 Personal View. 10.45 Sports Roundup. 11.00 News Summary. 11.15 Letterbox. 11.30 Londres Midi: News in French. 11.45 Mittagsmagazin: News in German. 12.00 Newsdesk. 12.30 Meridian. 1.00 World News. 1.09 News About Britain. 1.15 Multitrack 3. 1.45 Sports Roundup.

2.00 Newshour. 3.00 News Summary. 3.01 Sportsworld. 4.00 World News. 4.15 BBC English. 4.30 News and Features in German. 4.55 Travel News. 5.00 World and British News. 5.15 BBC English. 5.30 Londres Soir: News and features in French. 6.14 Letter from America.

6.29 News summary. 6.30 Heute Aktuell: News and sport in German. 7.00 German features. 7.45 News in German. 8.00 World News. 8.05 Write On. 8.15 Londres Dernière: News in French. 8.30 Letterbox. 8.45 From The Weeklies. 9.00 World News.

9.09 Personal View. 9.25 Words of Faith. 9.30 Meridian. 10.00 Newshour. 11.00 World News. 11.05 Short Story: Some Enchanted Evening. 11.20 Jazz for the Asking. 11.50 Sports Roundup. 12.00 World News.

12.05 Words of Faith. 12.10 Book Choice. 12.15 A Jolly Good Show. 1.00 Newsdesk. 1.30 The Ken Bruce Show. 2.00 News Summary. 2.01 Play of the Week: Night and Day.

3.00 Newsdesk. 3.30 Falling in Love. 4.00 World News. 4.09 News about Britain. 4.15 From Our Own Correspondent. 4.35 Write On. 4.45 News and features in German

## SUNDAY

**BBC RADIO 2**
6.00 Graham Knight. 7.30 Good Morning Sunday. 9.05 Melodies for You. 11.00 All-Time Greats. 2.00 Benny Green. 3.00 Sounds Easy. 4.00 The Beautiful Ballad Years. 4.30 Sing Something Simple.
5.00 Dennis McCarthy. 7.00 Music in Trust. 8.00 Cantabile at the Mill. 8.30 Sunday Half-Hour. 9.00 Alan Keith. 10.00 Glen Campbell Presents the A-Z of Country Music. 12.05 Seven Deadly Singsongs. 1.00 Colin Berry with Night Ride. 3.00 A Little Night Music. 4.00 The Early Show

**BBC RADIO 3**
7.00 Morning Concert.
8.30 News.
8.35 Maestro de' Concerti.
9.15 Violin bel Canto.
10.15 Prom Talk.
10.45 A Modest Profession.
12.35 Replay.
1.00 News.
1.05 Your Concert Choice.
2.30 Wolf.
3.50 Poet of the Month.
4.10 Studio 7 Concert.
5.15 Opera News.
6.00 North German Organ.
6.45 The Suk Quartet.
7.30 Proms 1991.
9.30 Sunday Play.
10.45 De Saram Clarinet Trio.
11.25 Dutch Chamber Music.
12.00 News.
12.05 Close.

**BBC RADIO 4**
6.00 News.
6.10 Prelude.
6.30 Morning Has Broken.
6.55 Weather.
7.00 News.
7.10 Sunday Papers.
7.15 The Living World.
7.40 Sunday.
8.50 The Week's Good Cause.
8.55 Weather.
9.00 News.
9.10 Sunday Papers.
9.15 Letter from America.
9.30 Morning Service.
10.15 The Archers.
11.15 News Stand.
11.30 Pick of the Week.
12.15 Desert Island Discs.
12.55 Weather.
1.00 The World This Weekend.
2.00 Gardeners' Question Time.
2.30 Sunday Playhouse.
4.00 News; Arthur - the King.
4.47 Time for Verse.
5.00 News; Coastline.
5.40 First Person.
5.55 Weather.
6.00 News.
6.15 Feedback.
6.30 Murder Most Foul.
7.00 In Business.
7.30 A Good Read.
8.00 Punters.
8.40 Reading Aloud.
9.00 News; Enquire Within.
9.15 The Natural History Programme.
9.59 Weather.
10.00 News.
10.15 Greenham Women, Greenham Men.
11.00 Antony Hopkins Talking About Music.
11.30 Seeds of Faith.
12.00 News and Weather.
12.43 (FM) Close.
12.43 (LW) As World Service.

**BBC RADIO 5**
6.00 News and 24 Hours.
6.30 Meridian Reports.
7.00 Newsdesk.
7.30 Sunday Edition.
10.30 Waterlines.
11.00 News and Sport; Business on the Move.
11.30 Motoring Madness.
12.00 News and Sport.
12.03 Open University.
2.00 News and Sport; Sunday Sport.
6.00 Sunday Sports Report.
7.20 Open University.
9.00 Soundprint.
9.30 Dragnet.
10.00 Sport.
10.10 Across the Line.
12.00 Sport.
12.10 Close.

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11.45 Mittagsmagazin: News in German. 11.59 Weather. 12.00 Newsdesk. 12.30 The Ken Bruce Show. 1.00 News Summary. 1.01 Play of the Week: Night and Day. 2.00 Newshour. 3.00 News Summary. 3.01 The Poisoned Cup. 3.30 Anything Goes. 4.00 World News. 4.15 BBC English. 4.30 News and Features in German.
4.59 Travel News. 5.00 World and British News. 5.15 BBC English. 5.30 Londres Soir: News and features in French. 6.14 Club 648. 6.29 News Summary. 6.30 News and Features in German.
8.00 World News.
8.05 World Business Review. 8.15 Londres Derniere: News in French. 8.30 In Praise of God. 9.00 World News. 9.09 Folk in Britain. 9.25 Words of Faith. 9.30 Slightly Foxed.
10.00 Newshour.
11.00 World News. 11.05 Music with Matthew. 11.50 Sports Roundup. 12.00 World News. 12.05 World Business Review. 12.15 Letter From America. 12.30 The Poisoned Cup. 1.00 Newsdesk. 1.30 In Praise of God. 2.00 News Summary. 2.01 Desert Island Discs. 2.45 A Mystical Music.

# CHESS

NIGEL Short has a real chance of challenging for Gary Kasparov's world title in 1993 if he can maintain the form which defeated Boris Gelfand 5-3 in their Brussels quarter-final. Short won three games in impressive style, then at the end fought off a massive assault on his king with a winning counter.

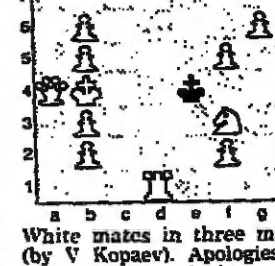
In the other matches sponsored by the Swift banking group, Jan Timman defeated a lacklustre Viktor Korchnoi 4½-2½, Artur Yusupov surprised the favourite Vassily Ivanchuk 5½-4½, while Anatoly Karpov scraped through 4½-3½ after the 21-year-old Indian Viswanathan Anand missed chances to eliminate the ex-champion.

Fide seeded Karpov and Timman 1 and 2 for the semi-finals so Short was paired with the legendary Karpov. Their 10-game series is scheduled for April 1992,and Britain's No 1 is far from a forlorn hope. Even before his unconvincing match with Anand, Karpov showed signs this year that he is past his peak at age 40, while Short has never played better than in recent months.

Short's best win lured Gelfand's pieces to the queen's side, then demolished the Soviet king by an incisive attack(N Short, England, White; B Gelfand, USSR, Black; Sicilian Defence; Game 3,1991).

1 e4 c5 2 Nc3 d6 3 f4 Nc6 4 Nf3 g6 5 Bc4 A popular system on the UK Leigh Grand Prix weekend circuit. Bg7 6 0-0 e6 7 d3 Nge7 8 Qe1 Nd4 Safer a6 and Rb8. 9 Nxd4 cxd4 10 Ne2 0-0 11 Bb3 Nc6 12 Bd2 d5 13 e5 f6 14 exf6 Bxf6 15 Kh1 a5 16 a4 Qd6 17 Ng1! This regroup ties Black's pieces to the doubled d4 pawn. Bd7 18 Nf3 Nb4 19 Qf2 Qc5 20 Be3 Nc6 21 Rae1 b6 22 Bd2 Nb4 23 Qg3 b5 24 f5! A decisive sequence while Black is embroiled on the other flank. exf5 25 Ne5 Be8 26 axb5 Qxb5 27 Rxf5 Kh8 28 Rxf6! Rxf6 29 Ng4 Rf5 30 Nh6 Rb5 31 Qf4 Resigns The mate threats Qf8,Qf6 and Qxd4 cannot all be stopped.

Chess no. 887



White mates in three moves (by V Kopaev). Apologies for last week's printing error which repeated the previous week's board. In the diagram published White mates in two by 1 Qb6.

Solution Page XIV

*Leonard Barden*

# BRIDGE

THIS hand was played, at rubber bridge I think, by someone who was widely regarded as one of the best bridge players in the world:

N
♠ 7 6 4
♥ A 8 4 3
♦ A 8 4 2
♣ 8 5

W
♠
♥ K 10 6 2
♦ K 10 6 3
♣ J 10 9 7 3

E
♠ Q 10 9 8
♥ J 5
♦ Q J 7 5
♣ A 6 2

S
♠ A K J 5 3 2
♥ Q 9 7
♦ 9
♣ K Q 4

South dealt at a love score, and started the bidding with one spade. Some Norths might bid one no trump, but this North replied with two spades – I agree with this decision – and four spades by the opener closed the brief auction.

West's opening lead was the club knave, taken by the ace, and East returned the 10 of spades. The declarer took this with his king, West showing out, and crossed to the diamond ace, led a spade, finessed knave, and cashed the ace. Now deciding to play East for the heart king, South crossed to the heart ace, and led back the three. This was covered by the knave, queen, and king. West had to make his 10 of hearts, so the contract went one down.

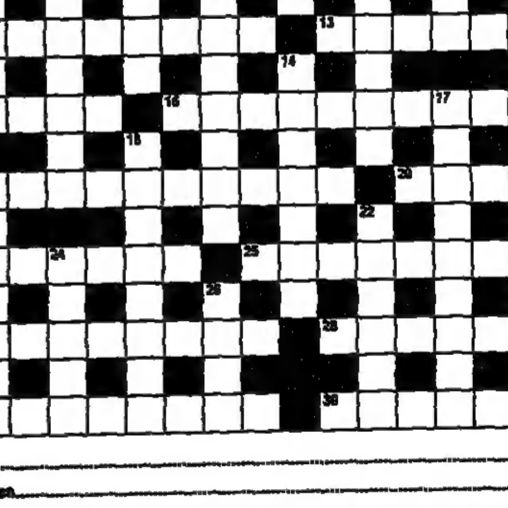
You know my favourite play, which I call Making All the Trumps – I've discussed it on many occasions – let us replay the hand with this play in mind. At trick three we cross to the diamond ace, ruff a diamond, cash the king of clubs, ruff, yes ruff, the queen on the table, and ruff another diamond in hand. We cross to the heart ace, and ruff the last diamond. We exit with a heart, and wait cheerfully to score our ace and knave of trumps for our contract. As I've said before, this play seems to be a blind spot with even good players. This hand proves my point.

*E.P.C Cotter*

# CROSSWORD

## No. 7,634 Set by VIXEN

Prizes of £15 each for the first five correct solutions opened. Solutions to be received by Wednesday September 11, marked Crossword 7,634 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9HL. Solution on Saturday September 14.



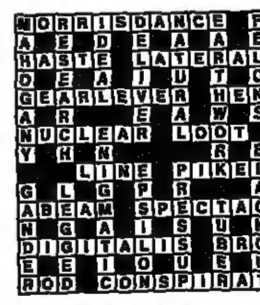
Name.................................................

Address.................................................

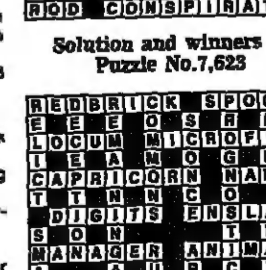
**ACROSS**
1 Mark the sailor is just 13 (6)
4 Boys were transformed by hair growing on the face (8)
9 Like the carrier that can't be found? (6)
10 Party girl's big silk handkerchief (8)
12 A vessel – the one not finished building (8)
13 Popular school crawler (6)
15 Rush about pursued by a top journalist (4)
16 The grant is arranged to order (10)
19 Pole allowed in after royal letters make this official (10)
20 A medico's name for a man (4)
23 Late, and saucy with it? That's clever! (6)
25 Attract attention, being a good man and striking (5,3)
27 Called for exceptionally lean diet (8)
28 Taking one in sordid surroundings appears excusable (6)
29 When the squeeze is put on them some firing is inevitable (8)
30 Hasten to renovate the old place (6)

**DOWN**
1 A casual worker has to look lively (7)
2 They'll be there returning thanks over offers made (9)
3 A quietly suffering North American (6)
5 Some very early period (4)
6 Raillery is plainly not good for the elderly (8)
7 Lightweight animal (5)
8 An austere character showing a certain skill in bridge (7)
11 Races held by those involved to be most exciting (7)
14 Delayed accepting further baby-clothes (7)
17 The increase in the rate is put off (9)
18 Make a song about an overturned vehicle causing trouble (8)
19 Give now! (7)
21 Comes to an agreement over the seating (7)
22 Occupying temporary accommodation, being so resolved (6)
24 The little cherubs placed it the wrong way round (5)
26 Look for sound support (4)

**Solution to Puzzle No.7,633**



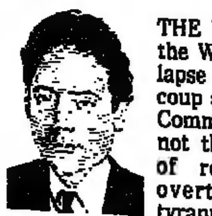
**Solution and winners of Puzzle No.7,623**



H. Jolley, Athens, Greece; Dr S. Labuc, Farnborough, Hants; R. Pettit, Wimborne, Dorset; D.L. Smith, Edwalton, Nottingham; Mrs F.S. Speakman, Harrogate, N. Yorkshire.

# The Germans have a word for it

***Dominic Lawson** on why certain Western politicians deserve our contempt*



THE PLEASURE in the West at the collapse of the Moscow coup and the Soviet Communist Party is not the simple one of relishing the overthrow of a tyrannical system.

Instead, I sense that the greatest hand-rubbing is mostly attached to accounts of how various Soviet functionaries who backed the wrong horse are either killing themselves or humiliating themselves by pathetic attempts at exculpation.

The Germans have a word for this phenomenon: *Schadenfreude*, which I believe means joy at others' misfortune. We relish the grimaces of the new unfortunates more than we do the cheers of the newly liberated.

In the UK particularly we have been given delightedly detailed accounts of the twists and turns of Leonid Zamyatin, the Soviet ambassador to London: how he told reporters on the day the coup was sprung that it was not unconstitutional, that Comrade (as he was then known) Gorbachev was really rather unwell. And there is a gloating tone to reports of Zamyatin's recall to Moscow and his pathetic insistence that he is 100 per cent behind Mikhail Gorbachev.

How would British foreign office officials and civil servants behave in similar circumstances?

We recognise in Britain that the stability of government is, if not ensured, at least greatly aided by the pledge of its servants to carry out the orders of its political masters, regardless of their own feelings.

It is true that in our case we are dealing with the transfer of power from one elected party to another, but Gorbachev's legitimacy lay only in his apostolic succession from Lenin, Stalin and the other communists deities; he was democratically elected only in the sense that the Pope was democratically elected by his cardinals.

When we sneer at the apparent cowardice and deviousness of communist officials trying to save their political or actual skins, a certain amount of humility on our part is in order.

I wonder how many of us would, under communist rule, have bought admission to the party in order to further our careers, and, having gained membership, done nothing to endanger our own and our families' security.

Think of corporate man, which is the capitalist equivalent of party man. Corporate man is a model citizen in the West. He is blindly loyal to his company. He never says a word against it in public although privately he may be convinced that it is engaging in unethical practices such as price rigging and environmental despoliation.

He sucks up to his bosses and expects his wife to as well. But when his bosses are sacked his affection is speedily transferred to his new masters. Yet one thing is certain: corporate man, unlike some party men, would never commit suicide if the new boss was an antagonist. The joy of western pluralism is that he could then become a company man for another corporation.

Perhaps the people who deserve the most ridicule are the Western politicians who, with none of the motivation of genuine fear which actuated the Soviet party men, supported the Soviet communists anyway.

A year ago the European Community, led by France, attempted to issue a statement recognising the existing boundaries of the Soviet Union, thereby effectively ratifying the annexation by Stalin of the Baltic states. Britain blocked the move.

But which country is now in the vanguard of the switch to recognise the independence of the Baltics and which country's foreign minister is now whistle-stopping through Lithuania, Latvia and Estonia? – France, barely a week after its president refused to condemn the coup until it was over. Unlike former Soviet prime minister Pavlov, president Mitterrand does not even have the excuse that he was drunk at the time.

■ *Dominic Lawson is editor of The Spectator.*

Colin Beere

Private View

# The functional vision of a professional European

***Christian Tyler** talks to Uwe Kitzinger about the state of the nations*

IF ANYONE qualifies for the label Professional European, then Uwe Kitzinger is that person. He was born in Germany, lives in Britain and holidays in Yugoslavia; he has worked in Strasbourg for the Council of Europe, in Brussels for the European Commission and in Fontainbleau as dean of that polyglot business school, Insead.

Kitzinger (he attaches no academic handle to his name) has just retired as president of Templeton College, Oxford, a faded example of concrete modernist architecture squatting in lush pasture some miles out of the university city. Templeton, better known under its former name, the Oxford Centre for Management Studies, has been his work for over a decade, but his preoccupation has always been with Europe – specifically, the mechanisms for developing the European Community.

Of course, you say, the name Kitzinger rings a bell. So it does. But for most people outside the charmed and lofty circle of European *hommes d'affaires* it stands for something rather different: natural childbirth. Uwe Kitzinger's wife, Sheila, social anthropologist and mother of their five daughters, has for 30 years been pouring out, at the rate of almost one a year, popular books on pregnancy and breastfeeding, epidurals and episiotomies. The couple's first grandson was born according to the Kitzinger method – at home and under water.

"I'm very proud of her. It's very nice," Kitzinger said when I asked what it felt like to be less well known than his wife in spite of his attainments. "She's had a revolutionary influence all over the world and she's now devoting her energies to eastern Europe." He sounded a little disappointed, however, that his girls had followed their mother into social work and had not shared his political idealism.

Kitzinger has the brusque, meticulous manner appropriate to an Oxford don and the air of imperious intellectual vanity you might expect in someone who has been through New College and Balliol with a First and has been president of the Oxford Union to boot. The black eye-patch does not make him any the less intimidating. But these are surface impressions.

He described his first job, as the first British economist of the Council of Europe, as "a fairly imaginative recruitment" as well as a piece of good fortune. "Similarly, I give Christopher Soames full marks for making me one of the first four Brits to go to Brussels in 1973."

Not a particularly self-effacing start, I thought. But at the end of the interview, sitting in the sun on the balcony outside his office, Kitzinger showed a more human side.

His career, he said, had been motivated by a sense of guilt that he was too young to fight against Hitler (he was born in 1928) and a desire to help post-war reconstruction. His parents had fled Germany because the Nazis had tried to make his father divorce his mother, who was Lutheran by religion but Jewish by descent. "I wanted to build a new order," he said.

Kitzinger is a proponent of a federalist vision of Europe, although he prefers to call it "functionalist". In view of developments in Yugoslavia and the Soviet Union, both federations (at least nominally), and both about to be torn apart, I asked him to explain what he meant. Weren't events in Yugoslavia a bad advertisement for the concept?

"It shows it wasn't federal enough, doesn't it?", he replied.

Kitzinger knows Yugoslavia well: he moors his sailing boat on the coast of Croatia and talks politics with the locals.

"There's a lovely saying about Yugoslavia: 'Seven provinces, six languages, five religions and . . .' (they add this with a big grin) ' . . . one federal government that looks after us all.' It's a thing that cannot exist as it is – it has got to become much more federal or it's got to break up.

"The nation state is basically the wrong size for a lot of our problems: it's too big for many problems and it's too small for many others."

In matters of culture – education, for example – power would be devolved downwards, to the regions. According to Kitzinger, his "functionalist" structure for Europe could thus dissipate some of the worst cross-border tensions. "It may be that in Northern Ireland we can disaggregate the sovereignty of the British state and let Catholics take decisions together with Eire, and Protestants decisions together with the English or the Scots.

"It is by trying to cling to the notion of sovereignty – that all decisions are ultimately taken by one territorial entity, that all powers are accumulated in that one monopoly over a given territory – that we cause so many problems."

The problems of the coming century, such as irreversible ecological damage, nuclear proliferation, hunger, mass migration and human rights were just too big for nations acting alone. Even the EC would be too small for some of them.

"I'm against a European bloc. I'm not saying that all functions that are now accumulated in the 12 member state capitals should be transferred to Brussels, Luxembourg, Strasbourg. That's exactly what I'm not saying.

"What I *am* saying is that some of those national powers need to be devolved to Scotland or Wales, or Brittany or the Basque country or Catalonia; others need to be retained at the national level, others need to be pushed up to the European level and that others still need to go to the world level.

"There can be overlaps and interlaps. What you want to start with is not history, language and religion. You've got to keep your eye on the problems which are really threatening the future of humanity."

But what about national identity, I asked him. If a nation state loses its full powers of self-determination, doesn't its national identity suffer?

"Well, what's an identity? The Welsh lost their power of self-determination a very long time ago – yes, perhaps they have suffered. The Scots did in the Act of Union – perhaps they have suffered. But think of what they gained!"

Well, they gained economic security.

"They've also gained power in London, not only jobs, but power. If the Scots had been aliens in London, what would have happened to British science, to the British banking system, what would have happened to British politics? They're playing on a larger stage, they're working with larger levers."

Is national identity an immovable, immutable thing?

"Well, you ask a Welshman whether he's Welsh or British or European. Particularly ask one who's working in a Japanese factory in Wales. What is he? He's a human being.

"Only for religion have more atrocities been committed than for national identity. I think in culture it's wonderful to have a national identity and a national diversity which we can all rejoice in. But in economics most of the smaller nation states don't make sense."

What is it about the British national identity that makes the UK such an odd man out in Europe?

"Because we're an island we had a nation state very early. When you go to Strasbourg, into the cemetery, you will find family tombs where grandfather died for France against Germany in 1870, father died for Germany against France in 1916, three brothers died – one for France against Germany in 1940, one for Germany against Russia in 1943 and one in the Free French forces against Germany in 1944. So what is a national identity? If you're on an island it's easy."

What about the loss of democratic accountability?

"The question of democratic control is clearly a matter of degree. When my village of Standlake has a meeting I would be one of 20 people and I might consider myself as having 5 per cent of influence.

"At the West Oxford district council I would clearly have less influence. The notion that my vote for or against Douglas Hurd in my constituency is going to get Douglas in or out is, of course, I'm afraid, ludicrous. In a Euro-constituency" (Kitzinger struggled for a moment to remember the name of his Euro-MP, Sir Henry Plumb) "clearly I have even less share of power and in the United Nations even less. But that's inevitable; that's the nature of things.

"Since we do not, fortunately, live in a single-issue state it is active participation by those interested that actually makes the difference, for example by writing a letter to the *Financial Times* or whatever.

"You know, it's a modest approach, it's an empirical approach and above all I hope it's a forward-looking approach because it starts with the problems instead of starting with the history. And our particular problem in Britain is that we have too much history.

"The other day I said to somebody from the university that it had taken longer to integrate Templeton College into the university than to integrate East Germany into West Germany. And the answer was 'Yes, the university has been in existence 700 years and Germany only 100 years, so you would expect it to take seven times as long.' That's not an answer that anybody would have given in Germany."

"History can be a help, history can also be a hindrance. But if it means we're always lagging behind problems, sooner or later there will be problems which we are simply too late for. And it's this always being too late that bothers me."

# Oh, to be in Notting Hill

***Michael Thompson-Noel***

"GIVEN THE opportunity and the money, I would always spend the spring in Tuscany," wrote Joan Bakewell in one of the colour mags last weekend. "In May or October, I would be in Sicily, in Venice in September, India in January, Brazil in December, the West Indies in February. But I would always make sure I was in Britain in August."

Given the opportunity, there are some of you, I know, who would make *sure* that Joan Bakewell spent the spring in Tuscany, May and October in Sicily, September in Venice, January in India, etcetera, and would even voice misgivings about allowing her into Britain for the single month of August.

But I am not among you. When I was small, Joan Bakewell was one of my pin-ups, a queen bee who talked sexily about arts and culture and whose tea-cup vowels and Sevres-type colouring seemed to me then – I believe I was simple – to represent all that was best in womankind.

These days, Joan is not so much the queen bee as the Queen Mother of the arts scene, but I have not deserted her, nor cast her down. She still gets my vote, as she did last Saturday when squittering on about how fine it is to spend August in Britain . . . uncrowded, congenial, unharassed . . . tennis and cricket . . . no heat prostration or dehydration . . . outings, festivals, open-air opera . . . friendship, informality, cheerful taxi drivers and shop assistants . . . the Proms, listening to the radio . . . greengages, damsons, the fruits of the season on every bough and twig . . . fecundity such as Samuel Palmer etched and painted, and of which Blake sang . . . butterflies, midges, gnats dancing in sunlight.

It was one of those "feel good" pieces so beloved of editors in August-time, on the grounds – which have always struck me as dubious – that the entire readership is on holiday, nothing is happening anywhere, the markets are just idling, and that those of us who remain at our desks in August were so disadvantaged when they were handing out IQ's that the only fodder we can handle are feel-good features with chirpy themes, such as the golden days of August-time, written by the jolliest of good eggs, such as sweet Joan, and then edited and captioned by a graduate of the Golly-Gosh School of Journalism.

I did *not* spend last weekend singing opera in the open air, or hobnobbing with Lady Beaverbrook at the races, or eating potted shrimp sandwiches off a pretty picnic cloth while all around me items of fruit ripened and swelled on every twig and bough.

I stayed at home and went to the Notting Hill street carnival. Rather, the carnival came to me, for the procession winds its tumultuous route to within a few yards of my flat – a fact I shall keep quiet about when I come to sell it, which will not be in August-time but in April-time or May-time when, just for a few minutes, London is green and clean and our street looks halfway decent and the throb and roar of carnival-time is still a long way off.

I enjoyed the carnival this year. It seemed less menacing than usual, something for which the organisers and police deserve the thanks of locals. There were various arrests and stabbings, including the murder of a young man as he was leaving the carnival.

In the main, though, there was a feel-good mood in the streets of Notting Hill last weekend that chimed well with Joan Bakewell's breathless bucolicism and served to remind me that we are in for a feast of feel-goodery as the politicians and other spin-merchants return from their holidays and start cranking up the bandwagon for the coming general election.

We haven't heard much from chancellor of the exchequer Norman Lamont recently. But do not despair. Norman has not been rendered speechless. He will be with us shortly, massaging our wounds and soothing our brows. It was, after all, a very minor recession. Just a squiggle in the graph lines. From the moon, we wouldn't even see it.

HAWKS & HANDSAWS

■ WHEN I wasn't keeping half an eye on the carnival, I was watching bits of the world athletics championships from Tokyo, especially Carl Lewis's world record-smashing performance in the 100 metres. But I have lost my taste for athletics.

I lost my taste for athletics in the hours immediately following Ben Johnson's expulsion from the Seoul Olympic games in 1988, following the revelation that Johnson – the biggest sports cheat in history, as I spitefully described him later – was a steroid-man: a pumped-up humanoid who had tricked the world.

*Well*, he certainly tricked the sportswriters. Many of us in Seoul were aware of the drug rumours regarding Johnson in the run-up to the Olympics; but it is hard to call a man a steroids cheat unless you can prove it, and by the time Johnson went to Seoul most sportswriters had forgotten or suppressed the knowledge that Johnson's stupendous physique and race-times were attributed, in some quarters, to chemical aids.

When I want to remind myself of my own fatuousness and gullibility, I look back to an article I wrote 11 weeks before the Seoul games. In that article I surmised that Johnson's (now disregarded) world record of 9.83 seconds for the 100m might survive until well into the 21st century; likened him to a Chieftain tank; said that his speed off the starting block was so great that he regularly deceived the eye and even the track-side computer, and reported that doctors had discovered that good old Ben used 3,000 watts of energy per stride and braked more efficiently than a car.

No wonder that the heroes of track and field now seem to me less glamorous than piled ash; or that I won't be attending any more Olympics.

# The ultimate fishy story

*The Shark is an endangered species in Oxford. **Patricia Morison** reports*

ON AN August morning five years ago, a crane lowered the Shark on to the roof of a terraced house in Oxford. Number 2, New High Street, Headington, is a small house and the Shark is 25 ft long, fibre-glass, and highly realistic. It appears to plummet out of the sky, a grey-and-white monster which rips into the roof in a scatter of slates and splintered wood.

Every summer since 1986 could have been the last for *Untitled 1986*, John Buckley's controversial and, to my mind, splendid sculpture. Now, for its enemies and supporters, one last battle lies ahead.

The Department of the Environment has granted the Shark's owner, William Heine, permission to take his case to a public enquiry. In June, Oxford councillors ruled that the Shark was illegal and must go. It had been installed in contravention of the Town and Country Planning Act.

Messrs Heine and Buckley had argued that works of art do not need planning permission. The past five years has seen a process of petitions, surveys, appeals, decisions made and overturned. The Shark has many friends, and not all the councillors dislike it. Rumour has it that this time the committee was equally split and that a funeral had called one admirer away. The chairman used his casting vote against the sculpture.

At this point, inhabitants of East Oxford wondered about the chance of a Shark War. Historically, Oxford has a reputation of a peaceable town. Heine, however, lives within sight of the Oxford United grounds and some of the Shark's opponents have suggested that the monster might provoke the hooligan element. Perhaps mindful of this, the council has said that it will not use its legal power forcibly to remove the illegal sculpture – with the bill going to Heine.

And so the Shark has again won a temporary reprieve. While there is still time, I recommend that you see this late-20th-Century *objet*. Roof-spectacles of this kind are quite common in the US, which is where Heine comes from. However, in Britain such sculptures are rare and if the Shark goes, the breed may become extinct. Which is exactly what many of its opponents hope. They argue that the Oxford Shark sets "a dangerous precedent" which, if allowed to pass, could put a menagerie of giant beasts up on roofs across the land. Another objection is that it could attract coachloads of trippers.

One of the Shark's most active campaigners is June Whitehouse, a retired schoolteacher who lives in the same street in a cottage she has renamed Shark View. Here she keeps the now extensive archives. A poll taken in the street in May showed that 120 residents approved of the Shark whereas 20 wanted it removed. The tales of pantechnicons of trippers Whitehouse dismisses as fanciful, although she admits that local ambulance-drivers sometimes turn into the street when they are taking patients to the nearby children's hospital.

Children do seem to enjoy the fantastical Shark, and Whitehouse has sheaves of poems to prove it. "The fish that landed on the tiles/ Has raised a hundred thousand smiles", runs one. Not that *Untitled 1986* was intended as a comic turn – quite the opposite.

Heine took his degree at Balliol College in the late 60s, after serving in the Peace Corps in Nicaragua and Peru. A long moustache, denims, and sandals, convey more than a hint of the 60s and the shark, too, seems to owe something to an era of liberal consciences.

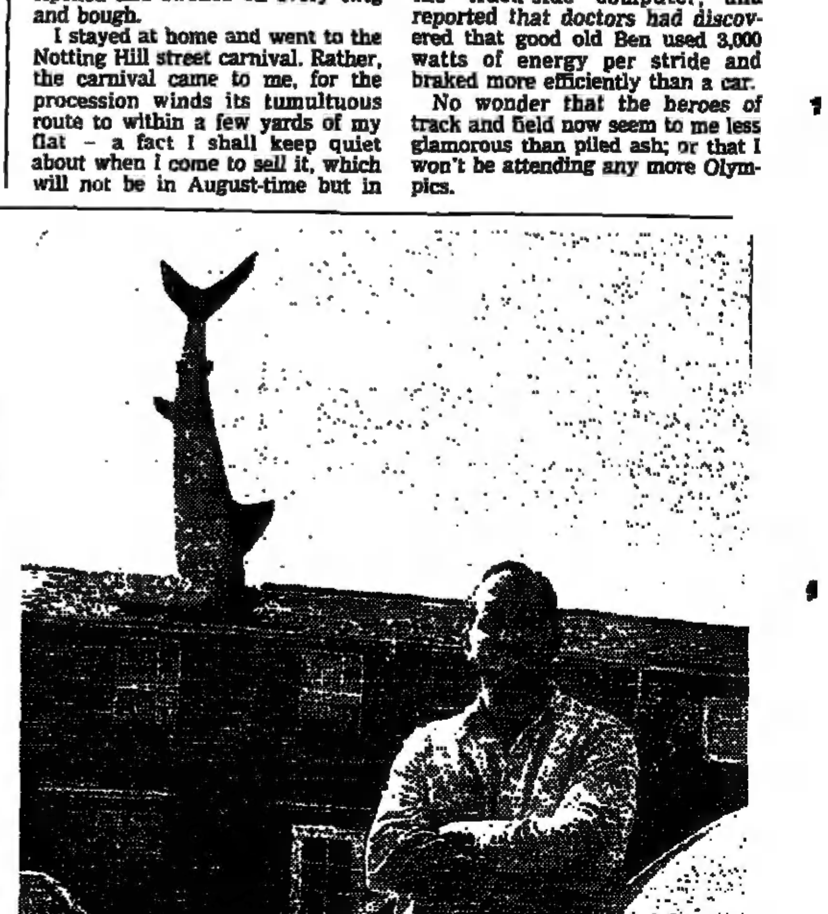
The story of how the Shark happened goes as follows. On April 15 1986, the day Heine bought his house, the American air force bombed Tripoli. As he recalls: "Houses similar to this in suburban streets were being shattered, so I decided to use the house as a plinth." The Chernobyl disaster and the anniversary of Nagasaki underlined the point about the fragility of ordinary lives. Francis Bacon's paintings, with their grey fleshiness and sense of terror, also influenced him. Eventually, with his friend, sculptor John Buckley, they dreamed up the Shark.

Buckley has made a number of "political" works. He expected that the shark would run into trouble. There was a pre-history with the commission for Al Jolson hands, reaching out from the facade of the Penultimate Picture Palace. This was the first of Heine's two cinemas in Oxford, and the art-work was a memorial to the building's past – built in 1909, it had been the town's first purpose-built cinema. The students were happy, but not so all the residents.

The cinema remains, as did the offending hands, which eventually made it past the planners. So, too, did the can-can dancer's legs on the front of Heine's second cinema, called Not The Moulin Rouge. The legs were moved to Brighton when the cinema lease ended.

The shark is in a different artistic league from either of these and yet, ironically, it may have to go. At one point in the wrangle, the council offered to site the art-work elsewhere but Buckley's response was that this would be "like cutting a finger off Michelangelo's David and putting it on a pedestal."

He is correct. The sculpture is "site-specific". It will also, by the end of its life, have proved expensive. Heine has already paid a fine of £6,000. Oxford residents are being warned that the cost of the public appeal may end up on their rates bill. But at least, if Heine is as good as his word, the Shark's supporters will see him fighting to the end. We should have a whale of a time.



Lydia van der Meer

John Buckley: 'works of art don't need planning permission'